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EDITOR'S INTRODUCTION.

THE object of this series is double. In the first place it is to supply in a compact form to managers, clerks, and agents of commercial firms in all parts of the globe accurate information about the commerce, resources, and needs of the principal countries of the world; the second, and equally important, purpose of the series is to supply to teachers and students in technical schools, colleges, and commercial Universities throughout the British Empire and the United States of America what we may perhaps call guide-books to the wealth of modern nations. No intelligent observer of commercial progress in Germany during the last decade can have failed to mark an equally rapid and simultaneous progress in the descriptive literature of industry and commerce. Every University seems to have entered into the competition, and in Germany, at any rate, a teacher of practical economics is seldom at a loss for a book; he is more likely to be embarrassed by profusion than by scarcity. In America the production of monographs upon commercial subjects has been enormous, but these monographs, whatever their scientific merits—and they often exhibit a most laborious research—are not often suited to the uses of commercial instruction. Still less are they likely to deserve or win a place on the miserable bookshelf which too often satisfies the demands of a great mercantile house.

It is no doubt a mistake for the manufacturer of books to preach to the manufacturer of things; but the best writers on economic questions are those who combine with practical instincts a broad and scientific grasp of commerce and a power of exposition. Such writers do not lecture a business man on the conduct of his business. But is it not also a mistake for the captains of industry to shut themselves up in their offices, assume pontifical airs, and refuse to

listen to the stories of the progress made in other countries and to descriptions of other methods than their own? The shrewdness of the average English commercial traveller does not always make up for his ignorance. His knowledge of men does not always make up for his contempt of books. His readiness to appreciate concrete economies and inventions is admirable, but he would do still better had he the will and the opportunity to study descriptive economics, and to draw lessons from the abstract precepts and principles of the writers and thinkers who have devoted themselves to discovering the mechanism of the production and distribution of wealth.

After all, as Mr. John Morley once told the Midland Institute at Birmingham, long before the establishment of a commercial University (with a Chair of Commerce) in that city, the best thing that can happen to a young man of average abilities is that, after following the elementary and higher education in his own town, he should, 'at the earliest convenient moment, be taught to earn his own living.' To earn a living by honest work should be the elementary aim of every good citizen; but let the wage-earning and the profit-seeking be preceded by a training which will make his daily work an intelligible part of an intelligible whole, and help him to continue his education through life, unravelling bit by bit the baffling mysteries of Nature's laws and man's disobedience.

There is probably no form of literature more generally read than biography. The success of others is an incentive to action. We love to read the lives of great men. We learn from their failures and successes. The budding politician follows the career of the statesman. The young man entering a business or profession is encouraged by 'men of invention and industry.' The spirit of rivalry is strong, stimulating, and honourable, and it exists between communities and nations as well as between individuals. Happily, nations as well as individuals gain by the inventions, the industry, and the wealth, of their competitors; but the benefit would be far greater if there were more willingness to learn. 'Made in Germany' should be not a bogie, but a stimulus. Nations of invention and industry should be vehicles of instruction. Foreign successes are worthy of study and emulation. We must watch the developments of commercial policy, says Lord Rosebery. We must study commerce, says Mr. Chamberlain, in Universities founded for that purpose. Mr. Bryce, who knows as much of higher education

as any living statesman, concurs. Mr. Carnegie, the prince of manufacturers, is also the Mæcenas of commercial education.

The object, then, of this commercial series is to provide guidance by describing the modern conditions under which the great nations of the world are competing for its markets, exchanging their products, utilizing their own agricultural and mineral resources, and, as they progress in wealth and population, making ever new and larger demands upon the products of other countries.

The commercial series begins with descriptions of Great Britain, India, Japan, and the United States of America. It is intended in time to include all the principal countries of the Old and New World. Each, it is hoped, will have its special value to traders, whether they are already engaged in trade with a particular country or whether they are on the look-out for new markets. Large importing and exporting merchants should welcome the advent of small and compact volumes containing statistical and other information for which they would have to search through many blue-books and consular reports. An immense amount of time would be saved by boys and young men who are entering importing and exporting houses if they could first master the contents of a book like that of Mr. Harold Cox on Great Britain, or of Mr. Tozer on India; and we believe that such books will be much more useful to the teacher than the small works upon elementary economics which were offered with results so unsatisfactory to the youth of the last generation. What is the good of driving into the minds of boys or girls of fourteen, or sixteen, or eighteen, abstract definitions of value or abstract theories of exchange? They would be far better engaged in arithmetic or Euclid, where they have counters, figures, and diagrams to help them. For the same reason, theology often proved a better training for the mind than the old formal logic, because it had the advantage of a close relation to living controversy. We do not in the least depreciate the value of political economy (it should be a principal instrument in the higher education of our citizens); we are simply discussing how it should be taught, how it should be made most interesting, and how it should be made most useful. Minds exceptionally well informed, or with exceptional powers of abstract reasoning, may no doubt be given theories 'neat,' but even then it would be better for the theories to be diluted with copious illustra-

tions. Let the mind first be fed with facts, with a description, for example, of the economic framework of a nation, its agriculture, its mineral resources, its manufactures, its railways, its harbours, banks, currency, weights and measures, and foreign trade. The means also, by which it raises its revenue and protects or obstructs its commerce should be made known. If the governing classes, the manufacturing classes, and the journalists of the great nations of the world were acquainted with the records of their own economic progress, and of their neighbours, they would be able, even if they had never committed to memory a definition of marginal utility or of quasi-rent or of the law of diminishing returns, to avoid blunders which cause year by year vast and irretrievable losses to the whole world. It is satisfactory to observe that the new London University, in which is incorporated the London School of Economics, has adopted in its curriculum for the faculty of economics and political science (including commerce and industry) the very idea upon which we are now laying so much stress—that is to say, the advantage of applied over abstract economics. In the first year students are expected to make elementary applications of statistical methods, to study the main outlines of the organization of industry and commerce, and to devote themselves to commercial geography. In the second and third years they are required to acquaint themselves with public finance and with constitutional or commercial law; they may take up banking and currency, or the organization of transport, or international trade, or systems of insurance, or the public administration of a particular country. A school similar to the London School of Economics is now being built up in New York, and there is little doubt that the main outlines of the curriculum devised by the London University under the guidance of many distinguished men and women, who form its Senate, will be more and more widely adopted in those great centres of the world's commerce which must inevitably become also centres of commercial education.

F. W. H

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THE UNITED KINGDOM AND ITS TRADE

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THE UNITED KINGDOM AND ITS TRADE

BY

HAROLD COX

FORMERLY SCHOLAR OF JESUS COLLEGE, CAMBRIDGE

LONDON AND NEW YORK
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AUTHOR'S PREFACE.

THE aim I have set before myself in the following pages is to state as clearly as possible some of the more important facts with regard to the sources of wealth, the trade, and the finances of the United Kingdom. These facts can mostly be found in Government Blue-books, but they are there set out in a form calculated to repel rather than to attract those who seek for information. The type in which Government publications are printed is generally small and frequently bad, there is a mass of unnecessary detail, and the arrangement of facts and figures is framed to suit the custom of the office instead of the convenience of the public. The publishers of the present volume have courteously complied with all my suggestions in the important question of typography, and have faced without a murmur the cost of frequently re-setting or re-making tables of figures to obtain a clearer result. The work of analyzing the many Blue-books consulted, and arranging in concise form the figures extracted, has taken longer than I anticipated, and in some cases later figures than those here found have been published while this book was passing through the press. It has not, however, been thought worth while to make a special effort to bring all the figures absolutely up to date, except in the case of the totals of public income and expenditure. The value of most of the other figures is illustrative rather than positive, and one year serves practically as well as another. It has also been necessary, from considerations of

time and space, to omit many matters which might well have found a place in this little book, and I can only hope that my readers will be less conscious of these omissions than I am. In dealing with questions closely affecting the national welfare it has been impossible to avoid expressing or indicating opinions, but I have done my best to avoid controversial points. One matter which has specially forced itself upon my attention is the unsatisfactory character of the published accounts of our national income and expenditure. I have come to the conclusion that there is no man in the kingdom who can say what is the real total of the expenditure controlled, or of the revenue raised, by the direct authority of Parliament.

H. C.

GRAY'S INN,
May, 1902.

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THE UNITED KINGDOM AND ITS TRADE

CHAPTER I.

AREA AND POPULATION.

THE United Kingdom consists of four historic divisions, which were brought under a common Crown in the following succession: England (about 900 A.D.), Ireland (1170), Wales (1284), Scotland (1603). All these divisions are still maintained for some administrative purposes, but more often England and Wales together form one division, and Scotland and Ireland form separate divisions. Since the year 1801 there has only been one Parliament for the whole kingdom, but separate statutes are often passed for the different divisions to suit local divergences.

Climate.

The kingdom lies between latitude 50 and 60, but enjoys a much milder climate than many countries in less northerly latitudes. This favourable circumstance is mainly due to the influence of the Gulf Stream, which washes the western and southern shores of Ireland and Great Britain. The climate is not only mild, but also equable, and the rainfall is strikingly uniform throughout the year. Both these points are brought out clearly in the following table, showing average temperature and average rainfall in each month over a long period of years.

The figures in table (p. 2) are taken from the records of the Royal Observatory at Greenwich, but they are fairly representative of the whole kingdom. Scotland and the North of England are somewhat colder than Greenwich, and Ireland and the western

counties of Great Britain have a heavier rainfall. In all parts of the kingdom, however, the general characteristics of a mild and equable temperature and a well-distributed rainfall are observable, and these advantages enable out-of-door work to be carried on in most years without serious intermission from the first day of January to the last day of December.

In addition to this industrial advantage, the United Kingdom possesses the commercial advantage of a very extended coastline, deeply indented with sheltered bays and navigable rivers. Thus

Months.	Air Temperatures at Greenwich. Average of 59 Years.		Rainfall at Greenwich. Average of 85 Years.
	Monthly Average.	Daily Range.	Monthly Amount. Inches.
January	38·3° F.	9·4° F.	1·84
February	39·4	11·1	1·54
March	41·7	14·8	1·55
April	47·0	18·3	1·69
May	52·7	20·4	1·99
June	59·1	21·0	1·93
July	62·2	20·9	2·53
August	61·5	19·8	2·34
September	57·1	18·3	2·32
October	49·7	14·4	2·78
November	43·7	11·2	2·34
December	39·7	9·4	1·98

from the earliest times intercommunication between different parts of the kingdom has been fairly easy, and a large section of the population has been brought up to the practice of over-sea trading.

Area.

The area of the United Kingdom is 120,677 square miles, divided as follows:

	Square miles.
England	50,867
Wales	7,442
Scotland	29,785
Ireland	32,583
UNITED KINGDOM ...	**120,677**

The above figures do not include the small islands in the British seas—namely, the Isle of Man and the Channel Islands—which are an appanage of the British Crown, but not part of the United Kingdom. The area of the Isle of Man is 227 square miles, and of the Channel Islands 75 square miles, thus making a total area for the British Isles of 120,979, or in round figures 121,000 square miles.

Population.

According to the preliminary report of the census of 1901, the population of the United Kingdom at midnight on Sunday, March 31, 1901, was as follows:

England	30,805,466
Wales	1,720,609
Scotland	4,471,957
Ireland	4,456,546
UNITED KINGDOM	**41,454,578**

In addition to the above total, the smaller islands in the British seas had the following population:

Isle of Man	54,758
Jersey	52,796
Guernsey (with Herm and Jethou) ...	40,477
Alderney	2,062
Sark	506
Total	150,599

If these figures are added, we get a grand total for the British Isles of 41,605,177.

Growth of Population.

In forming a table to show the growth of the population of the United Kingdom, it will be convenient to state the figures in round numbers, and this principle will henceforth be followed throughout this work. It may be laid down as an axiom that statistical figures, however carefully collected, can be only approximately accurate, and it is therefore useless and misleading to profess a greater accuracy than is really attainable. The first census of the whole of the

United Kingdom was taken in 1821. The figures for that and the succeeding years are as follows:

POPULATION OF THE UNITED KINGDOM.

1821	20,894,000.
1831	24,029,000.
1841	26,731,000.
1851	27,391,000.
1861	28,927,000.
1871	31,485,000.
1881	34,885,000.
1891	37,733,000.
1901	41,455,000.

The above figures refer only to the United Kingdom, and do not include the smaller islands in the British seas. Their population rose from 90,000 in 1821 to 151,000 in 1901.

Birth Rates and Death Rates.

Both the birth-rate and the death-rate in the United Kingdom tend slowly to decline, but the former more rapidly than the latter; there is consequently a slight reduction in the net rate of increase. That the decline in the birth-rate is partly due to greater prudence on the part of parents is indicated by the fact that the marriage-rate is well maintained. Parental prudence may also affect the death-rate as well as the birth-rate; for with smaller families parents are able better to watch over the health of each child, and thus to diminish infantile mortality, which in the United Kingdom, as in every country, is one of the most important causes of a high death-rate. Other causes of the reduced death-rate are the great improvements that have been effected in the feeding, housing, and clothing of the mass of the population. The higher marriage-rate in the period 1896-1900 as compared with 1890-1895 is probably due to the marked improvement in trade.

By way of further comment on the following table it is only necessary to add that a reduced rate of increase does not necessarily imply a reduced amount of increase. An increase at the rate of 11 per thousand on a population of 38,000,000 gives an addition of 418,000, while an increase at the rate of 13 per thousand on a population of 32,000,000 only gives an addition of 416,000.

Births, Deaths, and Marriages.

England and Wales.

Per 1,000 *persons living.*

Average of Years.	Births.	Deaths.	Increase.	Persons Married.
1871 to 1880	35·4	21·4	14·0	16·2
1881 to 1890	32·5	19·1	13·4	14·9
1891 to 1895	30·5	18·7	11·8	15·1
1896 to 1900	29·4	17·7	11·7	16·1

Scotland.

Per 1,000 *persons living.*

Average of Years.	Births.	Deaths.	Increase.	Persons Married.
1871 to 1880	34·9	21·7	13·2	14.4
1881 to 1890	32·4	19·2	13·2	13·4
1891 to 1895	30·7	19·1	11·6	13·6
1896 to 1900	30·7	18·4	12·3	14·9

Ireland.

Per 1,000 *persons living.*

Average of Years.	Births.	Deaths.	Increase.	Persons Married.
1871 to 1880	26·3	18·1	8.2	9·4
1881 to 1890	23·3	17·9	5·4	8·7
1891 to 1895	22·9	18·4	4·5	9·4
1896 to 1900	23·1	18·0	5·1	9·9

United Kingdom.

Per 1,000 *persons living.*

Average of Years.	Births.	Deaths.	Increase.	Persons Married.
1871 to 1880	33·9	20·9	13·0	14·9
1881 to 1890	31·2	19·0	12·2	13·9
1891 to 1895	29·6	18·7	10·9	14·3
1896 to 1900	28·8	17·9	10·9	15·3

Distribution of the Population.

An interesting feature with regard to the population of the United Kingdom is the way in which the distribution of the people has altered. At the beginning of the nineteenth century the estimated population of Ireland was approximately half that of England, three times that of Scotland, and nearly ten times that of Wales. During the century the population of Ireland first rose very rapidly, and afterwards declined to about the point at which it started. Meanwhile the populations of England, Wales, and Scotland steadily increased, with the result that the proportions between the four portions of the kingdom have very greatly altered. At the present time the population of England is seven times, instead of twice, that of Ireland, and Scotland and Wales have equally improved their relative positions. It would be beyond the scope of this book to discuss the causes—climatic, geological, racial, and perhaps also religious—for this relative advancement of the greater island. It is sufficient to point out that political causes do not explain the facts, for the same political system prevails throughout the whole kingdom, and under that system the population of Ireland increased during the first forty years of the century with startling rapidity. The following tables show the number of persons residing at the date of the census in different parts of the kingdom to those in which they were born, and the changes in the distribution of the population that have occurred in the past eighty years:

Persons residing in	1881.	1891.
	Persons.	Persons.
England and Wales:		
Scotch born	253,528	282,271
Irish born	562,374	458,315
Scotland:		
English born	90,017	108,736
Welsh born	1,806	2,309
Irish born	218,745	194,807
Ireland:		
English and Welsh born	69,382	74,523
Scotch born	22,328	27,323

DISTRIBUTION OF THE POPULATION.

PERCENTAGE IN	1821.	1841.	1861.	1881.	1901.
England - -	54·0	56·1	65·6	70·6	74·3
Wales - -	3·4	3·4	3·8	3·9	4·1
Scotland - -	10·0	9·8	10·6	10·7	10·8
Ireland - -	32·6	30·7	20·0	14·8	10·8
United Kingdom	100	100	100	100	100

Foreigners Resident in the United Kingdom.

The British census authorities do not attempt to ascertain with precision the nationalities of foreigners resident in the United Kingdom. They are satisfied with recording the birthplaces of such foreigners. In the majority of cases, however, the birthplace probably indicates the nationality. The figures for 1881 and 1891 are given on the following page. It will be noticed that the figures give little support to the loose statement, so often made, that England is being overrun with pauper labour from Central Europe. The total number of foreigners resident in the United Kingdom in 1891 was 219,523, which works out to ·58 per cent. of the population, or less than 6 per thousand. It is possible also to state with some confidence that most of the foreigners resident in the United Kingdom on March 31, 1891, were in no sense paupers. Many of them were prosperous business men or well-to-do persons travelling for pleasure. A still larger number were occupied in skilled labour—for example, as cooks, waiters, and restaurant-keepers; others were sailors temporarily landed at British ports. The residuum of foreign refugees, driven from their own homes by poverty or persecution, probably did not exceed 50,000—a number which is quite insignificant in comparison with the total population of the kingdom. The influx of aliens into England has, in fact, only aroused attention because many of the poorest refugees make a practice of herding together in one small quarter of the east of London, where their foreign peculiarities rivet the attention of the most casual observer. It is fair to add that even of these really poor refugees only a small minority are 'paupers.' Most of them maintain themselves and their families

by their own exertions, and their labour has contributed greatly to the building up in London of a very flourishing export trade in ready-made clothing.

FOREIGN RESIDENTS IN THE UNITED KINGDOM.

FOREIGNERS BORN IN	1881. Persons.	1891. Persons.
America, United States	20,014	22,838
„ Brazil and Mexico	454	1,043
„ Unspecified	5,801	10,854
Austro-Hungary	3,148	5,921
Balkan States	98	748
Belgium	2,639	4,149
China and other parts of Asia	658	2,045
Denmark	2,114	3,735
Egypt and other parts of Africa	468	1,198
France	16,194	22,475
Germany	40,371	53,591
Greece and Turkey	1,484	2,398
Holland	5,609	6,715
Italy	7,194	10,921
Poland	11,059	21,959
Russia	4,212	25,736
Spain and Portugal	1,968	3,072
Sweden and Norway	7,547	12,807
Switzerland	4,422	7,104
Unspecified	154	214
TOTAL FOREIGNERS	135,608	219,523

British-born Persons resident Abroad.

In contrast with the 220,000 foreigners resident in the United Kingdom at the time of the census of 1891, there were about 3,277,000 natives of the United Kingdom resident in foreign countries at or about the same time. Out of this total no less than 3,123,000 British-born persons were resident in the United States, and of the remainder there were 46,000 in France and 16,000 in Germany.

Sex Distribution.

The population was distributed with regard to sex in 1901 as follows:

Year 1901.	Males.	Females.	Total.
England and Wales	15,722,000	16,804,000	32,526,000
Scotland - -	2,173,000	2,299,000	4,472,000
Ireland - - -	2,198,000	2,259,000	4,457,000
UNITED KINGDOM	**20,093,000**	**21,362,000**	**41,455,000**

It is interesting to note that the proportion of females to males is steadily increasing. For England and Wales the ratios for the last six censuses are as follows:

Number of Females to 100 *Males in England and Wales.*

1851	104·2.
1861	105·3.
1871	105·4.
1881	105·5.
1891	106·4.
1901	106·9.

CHAPTER II.

OCCUPATIONS OF THE PEOPLE.

THE methods adopted by the census authorities of the United Kingdom for classifying the population according to occupation have varied so considerably from time to time that no satisfactory comparison is possible for any earlier census than that of 1881. For the year 1901 particulars have not yet been published. The following tables are therefore confined to a comparison between 1881 and 1891. In the classifications adopted in the census of the United Kingdom six classes are recognised—Professional, Domestic, Commercial, Agricultural, Industrial, and Unoccupied.

The term *Professional* includes all civil and military servants of the Crown or of any local governing body. It includes also all parsons, lawyers, doctors, teachers, journalists, authors, engineers, architects, painters, sculptors, musicians, actors, and showmen.

The term *Domestic* includes all indoor domestic servants, hotel and club servants, office-keepers, hospital nurses, etc.

The term *Commercial* includes merchants, bankers, brokers, auctioneers, insurance agents, railway servants, tramway servants, bus drivers, cab drivers, dock labourers, lightermen, pilots, sailors, warehousemen, messengers, porters, etc.

The term *Agricultural* includes farmers, farm labourers, woodmen, gardeners, cattle dealers, and gamekeepers. Fishermen are also included in the same class.

The term *Industrial* covers all the other industries of the country, from bookbinding to ship-building, and from digging coal to sweeping chimneys.

The term *Unoccupied* includes persons retired from business, pensioners, persons living on their own means, and all persons who are following no specified occupation.

It will be noticed that the greater part of this last class is made up of women, but it would be a mistake to infer that there were 7,400,000 adult women in the United Kingdom in 1891 with no occupation. Probably at least 5,000,000 of the women in this category were the wives or daughters of working men, or other persons of restricted means, and were working as hard as any wage servant upon daily tasks within the home.

ENGLAND AND WALES: ADULTS (over 20).

000 *omitted.*

OCCUPATIONS.	MALES.		FEMALES.	
	1881.	1891.	1881.	1891.
Professional -	388	461	153	212
Domestic -	79	103	991	1,165
Commercial -	827	1,050	14	23
Agricultural -	1,103	1,016	53	45
Industrial -	3,921	4,439	1,111	1,224
Unoccupied -	325	447	4,993	5,694
TOTAL OVER 20	6,643	7,516	7,315	8,363

SCOTLAND: ADULTS (over 20).

000 *omitted.*

OCCUPATIONS.	MALES.		FEMALES.	
	1881.	1891.	1881.	1891.
Professional -	46	55	13	19
Domestic -	22	10	102	126
Commercial -	99	131	2	4
Agricultural -	172	176	38	24
Industrial -	544	589	173	187
Unoccupied -	35	45	746	809
TOTAL OVER 20	918	1,006	1,074	1,169

IRELAND: ADULTS (over 20).

000 *omitted.*

OCCUPATIONS.	MALES.		FEMALES.	
	1881.	1891.	1881.	1891.
Professional -	91	86	20	25
Domestic -	26	27	313	159
Commercial -	60	65	1	1
Agricultural -	757	701	85	84
Industrial -	356	334	199	187
Unoccupied -	46	52	845	905
TOTAL OVER 20	1,336	1,265	1,463	1,361

UNITED KINGDOM: ADULTS, MALE AND FEMALE (over 20).

OCCUPATIONS.	1881.	1891.
Professional - -	711,000	858,000
Domestic - -	1,533,000	1,590,000
Commercial - -	1,003,000	1,274,000
Agricultural - -	2,208,000	2,046,000
Industrial - -	6,304,000	6,960,000
Unoccupied - -	6,990,000	7,952,000
TOTAL OVER 20 -	18,749,000	20,680,000

The proportional distribution of the population among different occupations can be shown by means of percentages, as in the following table. It will be noticed that in every portion of the kingdom there is a decline in the percentage of persons engaged in agriculture. This is a phenomenon which is common to the whole world, and is noticeable even in countries like Denmark that do a flourishing and expanding trade in agricultural exports. The explanation is probably to be found in the increased application of machinery to the processes of agriculture. It is further worth noting that in Ireland alone is the percentage of persons engaged in agriculture still high, a fact which throws considerable light upon the absolute decline of the Irish population. The change in the proportion of

persons in Ireland under the heads Domestic and Unoccupied is due to differences in the method of classification.

DISTRIBUTION OF OCCUPATIONS.

Percentage engaged in various occupations.

OCCUPATIONS.	ENGLAND AND WALES.		SCOTLAND.		IRELAND.		UNITED KINGDOM.	
	1881.	1891.	1881.	1891.	1881.	1891.	1881.	1891.
Professional	3·9	4·2	3·0	3·4	4·0	4·2	3·8	4·1
Domestic	7·7	8·0	6·2	6·2	12·1	7·1	8·2	7·7
Commercial	6·0	6·7	5·1	6·2	2·2	2·5	5·3	6·2
Agricultural	8·3	6·7	10·5	9·2	30·1	30·0	11·8	9·9
Industrial	36·0	35·7	36·0	35·7	19·8	19·8	33·6	33·7
Unoccupied	38·1	38·7	39·2	39·3	31·8	36·4	37·3	38·4
	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0

Urban and Rural Populations.

One of the most important facts to ascertain with regard to the population of a country is the proportion that the town population bears to the rural population. Accurate statistics on this point cannot be expected, because the words 'urban' and 'rural' are themselves vague. As officially used in England and Wales, they refer to certain local administrative divisions; but a small 'urban district' may be socially and economically almost entirely rural in character, while in a few cases a 'rural district' may have outgrown its rural character before it obtains official recognition as an urban district. The most satisfactory method of comparison is to treat as substantially rural all districts officially so classified, and in addition all urban districts whose population is less than 5,000. On this basis the following table may be presented to show the movement of population in England and Wales. It is only necessary further to explain that the classification depends on the figures of 1891, so that a district which was 'urban' in 1891 is treated as having been also 'urban' in 1881, although in fact it may then have been classified as 'rural.' An examination of the following table shows that there was no absolute decline in the population of England and Wales registered as rural between 1881 and 1891, but that the urban population increased more rapidly.

England and Wales.	Aggregate Population.		Percentage.	
	1881.	1891.	1881.	1891.
Urban Districts—				
Over 600,000 - - -	3,834,000	4,232,000	15	15
Between 250,000 and 600,000	2,045,000	2,193,000	8	8
„ 100,000 and 250,000	2,360,000	2,829,000	9	9
„ 50,000 and 100,000	2,133,000	2,619,000	8	9
„ 20,000 and 50,000 -	3,024,000	3,691,000	12	13
„ 10,000 and 20,000 -	1,986,000	2,362,000	8	8
„ 5,000 and 10,000 -	1,647,000	1,837,000	6	6
Rural Districts - - -	8,945,000	9,240,000	34	32
Total, England and Wales	**25,974,000**	**29,003,000**	**100**	**100**

CHAPTER III.

AGRICULTURE.

THE United Kingdom possesses a considerable area of fertile land, and its climate is fairly good for most of the crops grown in northern latitudes. In addition to these natural advantages, much of the soil of Great Britain has in past generations been plentifully manured with brains and capital. During a large part of the eighteenth century agriculture was a fashionable pastime with English noblemen, who greatly enriched the country by draining large areas of swampy ground, by introducing new roots and grasses, and by improving the breed of cattle. The effect of the work thus done to a large extent still continues. It has been enhanced in many cases in more recent generations by the less demonstrative enterprise of a succession of intelligent landlords and energetic tenant farmers. In other cases, unfortunately, the superior attraction of town life has withdrawn landowners from their estates, and has left many thousands of farms in the hands of tenants who are not distinguished either for enterprise or intelligence.

In Ireland the agricultural question is so complicated by racial and religious differences that it would be beyond the scope of this work to attempt even a rough analysis of the causes that have affected the progress of Irish agriculture.

The following table (Division of Land :—Great Britain, p. 16) shows how the land of the kingdom is distributed among the various uses to which it is put.

It will be seen that there is a balance of land unaccounted for amounting to about 8,000,000 acres, or about 14 per cent. of the total area. Upon this balance the reporter to the Board of Agriculture remarks: 'The remaining 14 per cent. includes not only

DIVISION OF LAND:—GREAT BRITAIN.

In the year 1900.

	Acres.		Acres.
Measured surface exclusive of foreshores and tidal waters -	56,782,000	Inland waters -	588,000
		Woods and plantations - -	2,726,000
		Mountain and heath land used for grazing	12,903,000
		Under crops and grass - -	32,437,000
		BALANCE - -	8,128,000
TOTAL - -	56,782,000	TOTAL - -	56,782,000

barren and rocky areas incapable of profitable cultivation, but also so much of the surface as is required for roads and fences, together with a not insignificant section of the land occupied in the most varied ways, and sometimes in a manner much more profitable than any form of agriculture could secure. There is an ever-growing extent of surface devoted to the housing of 36,000,000 persons, to the widening areas required for business purposes, for public buildings, for cemeteries and recreation grounds, and for the yearly lengthening mileage of the streets and of the railways of the country, and for the numerous plots and gardens which fall below the limit for which agricultural returns are collected.'

The following table shows in somewhat similar form the division of land in Ireland:

DIVISION OF LAND:—IRELAND.

In the year 1900.

	Acres.		Acres.
Measured surface, exclusive of foreshores and tidal waters	20,333,000	Inland waters ...	130,000
		Woods and plantations	312,000
		Bogs and marsh ...	1,578,000
		Barren mountain land	2,233,000
		Under crops and grass	15,235,000
		BALANCE	845,000
TOTAL ...	20,333,000	TOTAL ...	20,333,000

It will be noticed that the balance unaccounted for in the Irish figures is only just over 4 per cent. of the total, whereas in the case of Great Britain it is 14 per cent. The explanation is that the British balance includes barren land, which is separately stated in the more complete figures for Ireland. Thus the balance in the case of Ireland represents almost exclusively land required for roads, fences, houses, pleasure grounds, etc.

In the above broad divisions of the land of Great Britain and Ireland the only item that needs further analysis is the land under crops and grass. The analysis is set out in the following tables:

LAND UNDER CROPS AND GRASS.

Thousands of Acres.

Year 1900.	England.	Wales.	Scotland.	Ireland.	United Kingdom.
Corn crops - -	5,699	377	1,259	1,347	8,682
Green crops - -	2,442	112	625	1,099	4,278
Clover, sainfoin, and grasses under rotation - -	2,768	397	1,594	1,219	5,978
Permanent pasture and grass - -	13,393	1,929	1,408	11,510	28,240
Other crops and fallow - -	412	9	13	60	494
TOTAL UNDER CROPS AND GRASS	24,714	2,824	4,899	15,235	47,672

DETAILS OF CORN CROPS.

Thousands of Acres.

Year 1900.	England.	Wales.	Scotland.	Ireland.	United Kingdom.
Wheat - -	1,744	52	49	54	1,899
Barley or bere	1,645	105	240	174	2,164
Oats - -	1,861	216	949	1,105	4,131
Rye - -	46	1	6	12	65
Beans - -	249	1	13	2	265
Peas - -	154	2	2	—	158
TOTAL CORN CROPS -	5,699	377	1,259	1,347	8,682

DETAILS OF GREEN CROPS.

Thousands of Acres.

Year 1900.	England.	Wales.	Scotland.	Ireland.	United Kingdom.
Potatoes - -	397	33	131	654	1,215
Turnips and swedes -	1,160	63	465	298	1,986
Mangold - -	401	10	3	69	483
Cabbage, kohl rabi, and rape	178	4	14	47	243
Vetches or tares	167	1	10	4	182
Other green crops, etc. -	139	1	2	27	169
TOTAL GREEN CROPS -	2,442	112	625	1,099	4,278

DETAILS OF OTHER CROPS AND FALLOW.

Acres.

Year 1900.	Flax.	Hops.	Small Fruit.	Bare Fallow.
England - - -	457	51,308	66,749	293,668
Wales - - - -	9	—	1,109	7,562
Scotland - - -	1	—	5,922	6,878
Ireland - - - -	47,451	—	4,359	8,230
TOTAL UNITED KINGDOM	47,918	51,308	78,139	316,338

The distribution of live animals throughout the kingdom is shown in the following table:

LIVE ANIMALS USED IN AGRICULTURE.

In Thousands.

Year 1900.	Horses.	Cattle.	Sheep.	Pigs.
England - - -	1,152	4,849	15,845	2,021
Wales - - - -	153	758	3,432	228
Scotland - - -	195	1,198	7,315	132
Ireland - - - -	491	4,609	4,387	1,269
TOTAL UNITED KINGDOM - - -	1,991	11,414	30,979	3,650

It must be noticed that the heading Horses in the above table only includes horses solely employed for agriculture, mares kept for breeding, and unbroken horses. It does not include horses kept for pleasure or for the purposes of other industries.

Effects of Climate on Produce.

A very slight examination of the above tables is sufficient to show that what may be called the 'agricultural proclivities' of different parts of the kingdom differ very considerably. Ireland, with her moist climate, has a relatively large area of land under grass, while Scotland, with her colder climate, devotes a relatively large acreage to oats. Again, Wales produces sheep rather than cattle, and Ireland cattle rather than sheep. England has a large acreage of hops, and very little flax; Ireland has a great deal of flax and no hops. The precise distribution of the main agricultural uses of the land is shown in the following table:

DISTRIBUTION OF CULTIVATION.

Proportion of Acreage devoted to the following Purposes:

Year 1900.	Ireland.	Wales.	Western England.	Eastern England.	Scotland.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Permanent pasture	75·6	68·3	64·4	43·2	28·7
Corn crops	8·8	13·3	15·9	30·8	25·7
Green crops	7·2	4·0	7·6	12·4	12·8
Clover, etc.	8·0	14·1	11·3	11·1	32·5
Other crops and fallow	·4	·3	·8	2·5	·3
TOTAL UNDER CROPS AND GRASS	100·0	100·0	100·0	100·0	100·0

The above percentages show clearly how grass land predominates over arable land in Ireland, Wales, and Western England, where the climate is both moister and milder than it is in Eastern England.

With regard to Scotland, the most notable feature is the higher percentage of land devoted to the cultivation of clover and rotation grasses as an alternative for permanent pasture. If this important distinction between permanent grass land and rotation clover and grasses be momentarily ignored, the following interesting comparison emerges:

GRASS AND CLOVER *v.* CORN AND ROOTS.

Year 1900.	Ireland.	Wales.	Western England.	Scotland.	Eastern England.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Grass and clover	83·6	82·4	75·7	61·2	54·3
Corn and roots	16·4	17·6	24·3	38·8	45·7
TOTAL UNDER CROPS AND GRASS -	100·0	100·0	100·0	100·0	100·0

Scotland includes both westerly and easterly counties, and thus lies midway in the distribution of its agriculture between Western and Eastern England. Bearing this in mind, it will be seen that the above table shows very strikingly the influence of the relative moisture of the west, and the relative dryness of the east, upon the prevailing form of agriculture.

The yield per acre of the principal crops under cultivation is shown in the following tables:

YIELD PER ACRE.

	Wheat.		Barley.		Oats.	
	10 Years 1890-99.	Year 1900.	10 Years 1890-99.	Year 1900.	10 Years 1890-99.	Year 1900.
	Bushels.	Bushels	Bushels.	Bushels.	Bushels.	Bushels.
England - -	30	28	33	31	41	40
Wales - -	24	26	30	32	38	38
Scotland - -	37	36	36	38	37	36
Ireland - - -	31	31	39	36	43	46
UNITED KINGDOM -	30	29	34	32	40	40

	Potatoes.		Turnips.	
	10 Years 1890-99.	Year 1900.	10 Years 1890-99.	Year 1900.
	Tons.	Tons.	Tons.	Tons.
England - - -	6·0	5·0	12·1	13·7
Wales - - - -	5·7	4·6	14·7	15·3
Scotland - - -	5·6	4·5	14·8	15·3
Ireland - - - -	3·6	2·8	14·6	14·9
United Kingdom - -	4·6	3·8	13·1	14·3

The low yield per acre of potatoes in Ireland is due to the very extensive cultivation of this root, often on soil that is unfitted for it. With this single exception the yield of Irish land is fully up to, and in many cases above, the average for the kingdom as a whole.

The following table gives an indication of the productivity of the soil of the United Kingdom as compared with other countries. The figures represent, whenever ascertainable, the average of the last five years.

Agricultural Productivity of Different Countries.

Yield per acre in bushels; average of five years.

	Wheat.	Barley.	Oats.
United Kingdom - -	31	34	40
France - - - -	19	21	26
Germany - - - -	24	27	32
Belgium - - - -	28	39	47
Holland - - - -	28	42	47
United States - - -	13	24	27

Shrinkage of Wheat Area.

One of the most striking features of British agriculture during recent years is the steady shrinkage of arable land, and in particular the reduction of the area of land under wheat. The collection of agricultural statistics in the United Kingdom was not conducted with sufficient care before the year 1870 to enable any reliance to be placed on figures of an earlier date. In that year, which was the

central year of a period of great prosperity for British agriculture, the area under wheat in the United Kingdom was, roughly, 4,000,000 acres. In the year 1895 the wheat area shrank to 1,500,000 acres, but has since risen to 1,900,000 acres. There is thus in thirty years a shrinkage of something between 2,000,000 and 2,500,000 acres devoted to wheat. The explanation of this shrinkage is to be found in the greater relative value of the other purposes to which British land or British labour can be put. Prices of corn-stuffs have fallen to a much greater extent than meat-stuffs or dairy produce, so that farmers find it more profitable to devote their land and their labour to producing meat, butter or milk, than wheat.

Dependence on Imported Food.

This change in the form of British agriculture has not, as is sometimes carelessly stated, increased the dependence of Britain upon imported food. Wheat is only one of the many articles of food of the British people, and, from the point of view of the total importation of food, it makes no difference whether the wheat is grown at home and the beef imported, or whether wheat is imported and the beef grown at home. The real cause of the increased dependence of the United Kingdom upon imported food is the increase of the population owing to the development of manufactures and commerce. There has also been a marked improvement in the standard of comfort of the masses of the people, leading to an increased consumption per head of the more valuable food staples. The following figures show how extremely difficult it would be to obtain from the soil of the United Kingdom all the wheat required by the present inhabitants, even if the cultivation of other food-stuffs were largely abandoned.

In the year 1870 the cultivation of wheat had for several years yielded high profits, and a continuance of those profits was generally anticipated, and was for some years fully realized. It is therefore reasonable to assume that in 1870 all the land which could, with any hope of profit, be employed for wheat growing was devoted to that purpose.

The actual area under wheat in 1870, as above stated, was 4,000,000 acres. In 1900 the area under wheat was only 1,900,000 acres.

It is probable that if all the 2,100,000 acres that have been

devoted to other uses were again cultivated with wheat, the average yield per acre for the kingdom would be appreciably reduced. Assuming, however, the possibility of securing over this increased area the high average yield of the past five years—namely, 31 bushels—the total addition to the amount of home-grown wheat would be 65,000,000 bushels, or 32,000,000 cwts.

In the year 1900 the importation of wheat and wheat-meal into the United Kingdom amounted to 98,000,000 cwts.

Thus a reversion to the extensive wheat area of 1870—largely at the expense of more profitable uses of the land—would barely suffice for the growth of one-third of the quantity of wheat now imported.

CHAPTER IV.

FISHERIES.

FISHING is one of the important industries of the United Kingdom, providing a large amount of food for the inhabitants of the kingdom and a considerable surplus for export. The following tables give particulars of the amount and value of fish *first* landed on British shores, excluding fish that has been landed elsewhere and then imported into the United Kingdom.

FISH LANDED ON THE SHORES OF THE UNITED KINGDOM.

Year 1900.	Non-shell Fish. Quantity.	Non-shell Fish. Value.	Shell-fish. Value.	Total Value.
	Tons.	£ (thousands).	£ (thousands).	£ (thousands).
England and Wales	430,000	6,610	372	6,982
Scotland - -	268,450	2,326	75	2,401
Ireland - - -	30,200	279	16	295
UNITED KINGDOM -	728,650	9,215	463	9,678

It will be noticed that the figures for Ireland in the above table point to a remarkable inferiority in the Irish fisheries as compared with those of England and Scotland. Part, however, of this apparent inferiority is due to the fact that much of the fish caught in Irish waters is conveyed direct to English or Scotch ports. A better estimate of the relative extent of the Irish fisheries is given by the census figures, showing the number of persons employed in the fishing industry in the three portions of the kingdom.

They are:

PERSONS OVER TWENTY ENGAGED IN FISHING.

	1881.	1891.
England and Wales - -	23,440	21,287
Scotland - - - -	25,909	25,121
Ireland - - - -	9,106	9,277
TOTAL UNITED KINGDOM -	58,455	55,685

It will be noticed that more Scotchmen than Englishmen are engaged in fishing, although the fish landed in England is very much greater both in quantity and value than that landed in Scotland. This is probably due, as in the case of Ireland, to the fact that the fish, though caught in Scotch waters or by fishermen resident in Scotland, is carried direct to English ports.

The following table gives the variations in the quantity and value of the fish landed on the coasts of the United Kingdom during the past ten years.

A TEN YEARS' COMPARISON.

Fish landed on the Coasts of the United Kingdom.

	Quantity, excluding Shell-fish.	Value, excluding Shell-fish.	Total Value, including Shell-fish.
	Tons.	£ (thousands).	£ (thousands).
1891	601,084	6,555	7,024
1892	626,413	6,495	6,946
1893	678,380	6,743	7,218
1894	702,433	6,816	7,261
1895	703,432	7,168	7,600
1896	735,555	7,058	7,529
1897	694,899	7,514	7,993
1898	791,826	7,985	8,480
1899	747,981	8,936	9,457
1900	728,649	9,215	9,678

Particulars of the different kinds of fish landed and of the average prices recorded are contained in the following table :

DETAILED TABLE.

Fish landed on the Coasts of the United Kingdom.

Year 1900.	Quantity.	Value.	Price.
		£ (thousands).	s. d.
Soles - - - Tons	4,005	581	1 4 per lb.
Turbot - - - „	3,388	276	0 9 „
Other prime fish - „	2,562	162	0 6¾ „
Total prime fish - „	*9,955*	*1,019*	—
Cod - - - - „	52,808	657	0 1½ per lb.
Haddock - - - „	163,043	2,211	0 1½ „
Herrings - - - „	308,423	2,248	0 0¾ „
Ling - - - „	13,434	121	0 1½ „
Mackerel - - - „	28,488	365	0 1¾ „
Sprats - - - „	4,156	20	0 0½ „
Other non-shell fish - „	148,342	2,574	0 2 „
TOTAL NON-SHELL FISH - - - „	728,649	9,215	—
Shell-fish :			
Crabs - - Thousands	8,602	76	2 7½ per doz.
Lobsters - „	1,612	68	10 6 „
Oysters - „	38,864	136	0 10 „
Other shell-fish - Tons	38,326	183	0 0¾ per lb.
TOTAL SHELL-FISH „	—	463	—
TOTAL FISH - „	—	9,678	—

Imports and Exports of Fish.

In order to complete the account of the British fishing industry, it is interesting to show the value of the fish imported from foreign countries and of the British fish exported.

The following table gives those particulars for the year 1900:

IMPORTS AND EXPORTS OF FISH.

Year 1900.	Value
	£
British fish landed - - - -	9,678,000
Foreign fish imported* - - - -	3,625,000
	13,303,000
Deduct:	
British fish exported - - - -	3,001,000
Foreign fish re-exported - - -	700,000
REMAINDER FOR HOME CONSUMPTION -	9,602,000

The following table shows the comparative value of the yield of the British fisheries and of those of some other countries in the year 1898:

BRITISH AND FOREIGN SEA-FISHERIES COMPARED.

Year 1898.	Value.
	£
UNITED KINGDOM -	8,480,000
Norway - - -	1,147,000
Denmark - - -	340,000
France - - -	4,823,000
Portugal - - -	814,000
Canada - - -	4,097,000

* Exclusive of oysters for breeding purposes.

CHAPTER V.

MINERAL WEALTH.

THE most important minerals possessed by the United Kingdom are coal and iron. The production of tin, for which the British Isles were famous even before the Roman Conquest, is now comparatively unimportant, though the absolute production is still considerable. The coal resources of the kingdom were not used to any appreciable extent until a comparatively recent period. In Shakespeare's time a 'sea-coal fire' was still something of a rarity in Southern England, and the use of coke for smelting iron was not general until the middle of the eighteenth century. Towards the end of that century the invention of the steam engine and the utilization of coal-gas for lighting, created new demands for coal, which have gone on increasing with each successive year. In addition, the growth of the population and the higher standard of comfort in all classes has led to an increased consumption of coal in domestic fire-grates and cooking stoves. In the year 1900 the output of British coal realized the enormous total of 225,000,000 tons.

The coal-mines of the kingdom are found in Middle and Northern England, South Wales and South Scotland. There is no coal at present worth working in Ireland, or in the Highlands of Scotland, or in the South of England. The coal produced from different areas differs considerably in quality and also in the uses to which it can be applied. The most valuable is the hard steam-coal from South Wales, which commands a special price all over the world.

The utilization of the iron deposits of the kingdom have been greatly facilitated by the existence of large limestone quarries often in close proximity with the iron ore. Of late years, however, some of the best grades of British iron ore have begun to grow scarce, and iron ores are now imported from Spain and elsewhere to be smelted in British blast furnaces.

Salt is found in Cheshire in almost inexhaustible quantities, and is obtained from beneath the soil at moderate cost, by a process of saturation and subsequent evaporation.

Slate is principally found in Wales, and is greatly used as a roofing material throughout the kingdom.

The following table gives the official figures of the output of the various minerals.

MINERAL OUTPUT OF THE UNITED KINGDOM.

Year 1900.	Value at the Mines and Quarries.	Quantity.
	£	Tons.
Coal	121,652,596	225,181,300
Iron ore	4,224,400	14,028,208
Sandstone	1,586,045	5,019,874
Clay	1,571,043	14,049,694
Slate	1,528,336	585,859
Limestone (other than chalk)	1,300,314	11,905,477
Igneous rocks	1,238,747	4,634,301
Oil shale	627,844	2,282,221
Salt	611,920	1,861,347
Tin ore (dressed)	523,604	6,800
Lead ore	349,094	32,010
Chalk	208,032	4,373,331
Gravel and sand	138,163	1,837,202
Zinc ore	97,606	24,675
Gypsum	69,642	208,038
Arsenic	67,028	4,081
Gold ore	42,925	20,802
Barytes	29,244	29,456
Copper ore	34,503	9,108
Chert and flint	13,900	77,693
Ochre, umber, etc.	13,398	15,200
Arsenical pyrites	8,710	9,573
Iron pyrites	5,788	12,279
Strontium sulphate	4,560	9,121
Copper precipitate	2,450	380
Fluor spar	1,604	1,448
Uranium ore	1,517	41
Bauxite	1,350	5,779
Phosphate of lime	1,085	620
Bog ore	1,038	4,153
Manganese ore	675	1,362
Wolfram	351	9
Alum shale	164	1,308
TOTAL VALUE OF MINERALS	135,957,676	—

METALS OBTAINED FROM THE ORES IN THE ABOVE TABLE.

Year 1900.	Value at the average Market Price.	Quantity.
	£	Tons.
Iron	19,596,910	4,666,942
Tin	587,869	4,268
Lead	418,960	24,364
Zinc	188,573	9,066
Aluminium	72,800	560
Copper	59,995	765
Sodium	31,000	250
		Ounces.
Gold	52,147	14,004
Silver	22,465	190,850
TOTAL VALUE OF METALS	21,030,719	—

An indication of the importance of the mining industry to the different parts of the kingdom is shown by the number of persons employed. The figures for adults are given in the following table:

PERSONS OVER TWENTY ENGAGED IN MINING.

	1881.	1891.
England and Wales	339,481	426,188
Scotland	50,622	64,043
Ireland	1,604	1,086
UNITED KINGDOM	391,707	491,317

Production of Coal-Gas.

THE production of coal-gas is an important industry closely dependent upon the mineral wealth of the kingdom. Of late years many local authorities have undertaken this business for the areas which they administer; but, in spite of this development, the gas companies have continued to extend their operations, and are making more gas

and earning larger profits than before. The more important figures are contained in the following table:

GAS UNDERTAKINGS IN THE UNITED KINGDOM.

	Capital paid up and borrowed.	Receipts.	Expenditure.	Coal carbonized.	Gas made.	Length of Mains.
In 1888.	£ (millions)	£ (millions)	£ (millions)	Tons (thousands)	Cubic feet (millions).	Miles.
Companies	37·7	10·5	7·1	6,051	62,329	13,615
Local Bodies	21·3	4·8	3·4	3,205	32,381	7,508
	59·0	**15·3**	**10·5**	**9,256**	**94,710**	**21,123**
In 1898.						
Companies	53·5	14·1	10·3	7,959	86,706	15,451
Local Bodies	28·6	7·2	5·4	4,883	51,441	10,030
	82·1	**21·3**	**15·7**	**12,842**	**138,147**	**25,481**

In examining the above figures it will be noticed that the gas companies apparently diminished their output of gas per ton of coal from 13,000 cubic feet in 1888 to 10,900 cubic feet in 1898. On the other hand the local authorities appear to have increased their output from 10,100 cubic feet per ton of coal to 10,500 cubic feet. It is quite possible, however, that these differences are more due to carelessness in making returns than in making gas.

CHAPTER VI.

EXTERNAL TRADE.

THE prosperity of the United Kingdom depends very largely upon her external trade. Her own soil, though fertile, is limited in extent and in range of products, and it would be impossible to maintain the present high standard of comfort unless her people were able to effect more profitable exchanges with persons abroad than they can effect with one another. The policy of Free Trade has therefore been forced upon England as an economic necessity. The course of her trade during the past ten years is shown in the following table:

EXTERNAL TRADE OF THE UNITED KINGDOM.

Year ending December 31.	IMPORTS.		EXPORTS.			TOTAL EXTERNAL TRADE.	
			Home Produce.		Imported Produce.		
	Aggregate Value.	Value per Head.	Aggregate Value.	Value per Head.	Aggregate Value.	Aggregate Value.	Value per Head.
	£ (million)	£	£ (million)	£	£ (million)	£ (million)	£
1891	435	11·5	247	6·5	62	744	19·7
1892	424	11·1	227	6·0	64	715	18·8
1893	405	10·5	218	5·7	59	682	17·7
1894	408	10·5	216	5·6	58	682	17·6
1895	417	10·7	226	5·8	60	703	18·0
1896	442	11·2	240	6·1	56	738	18·7
1897	451	11·3	234	5·9	60	745	18·7
1898	471	11·7	233	5·8	61	765	19·0
1899	485	12·0	265	6·5	65	815	20·1
1900	523	12·8	291	7·1	63	877	21·4

In examining the above figures the reader must be careful to note that they only represent values, and that total values are often more

influenced by fluctuations in price than by alterations in the volume of trade. The general effect of the table is to indicate that trade declined during the years 1891 to 1894, and improved again from 1895 to 1900. This inference from the figures very closely corresponds to the general impression which would be derived from the particular experiences of business men. It is important to note that the value of new ships built in the United Kingdom and sold to foreigners was first entered in the export returns in the year 1899. In that year the value was £9,196,000, and in 1900 the value was £8,588,000.

The Excess of Imports.

The large margin between the value of imports and the value of exports, including re-exports, is due to several causes. In the first place there is the profit made by the persons engaged in the import and export trade. A profit of 5 per cent. on a total trade of £800,000,000 amounts to £40,000,000 a year.

Secondly, part of the excess of imports represents payment for services rendered by the British mercantile marine. More than half the tonnage of the world is now in British hands, and the owners of this tonnage, and to a considerable extent the officers and seamen who work it, live in England, and there spend the incomes they have earned upon the high seas.

Thirdly, a large number of persons born in the United Kingdom are employed in British possessions abroad as soldiers or administrators. Their remittances to their families and their pensions on retirement constitute an important factor in the balance of trade.

Fourthly, England is a great creditor country. She has lent large sums of money to foreign countries for every conceivable military or industrial purpose, and the aggregate interest upon these loans has now reached an enormous annual sum. The actual amount cannot be ascertained with any approach to accuracy, but it is probably safe to say that the total now exceeds £100,000,000 a year.

Fifthly, London is the world's centre for international banking and marine insurance. The profits on these businesses are substantial, and are mostly enjoyed in England.

When all these considerations are taken into account, it will be

found that the excess of imports over exports is much more than accounted for. The balance is adjusted by the capital that England continues to export by way of fresh loans to foreign countries and British possessions, and fresh investments in industrial undertakings abroad.

Political Distribution of British Trade.

In considering the movement of British over-sea trade one of the most interesting points to ascertain is the way in which it is distributed among the different countries of the world. Considerable pains are taken by the British Custom House authorities to obtain reliable data on this point, but the results are not entirely satisfactory. For example, it is known that there is a very large trade between the United Kingdom and Switzerland, yet Switzerland is not even mentioned in the annual statement of the trade of the United Kingdom. The explanation is that the goods are entered in the Custom House returns under the port from which they are shipped, or for which they are destined, and Switzerland has no ports. The trade of Switzerland with the United Kingdom is therefore credited partly to France, partly to Belgium or Holland, and partly to Italy, according to the route taken by the goods. The same consideration affects the returns for other countries. Thus many British goods intended for Germany are sent viâ Ostend or Antwerp or Rotterdam, and are credited to Belgium or Holland. On the other hand, goods sent to Hamburg, and entered as if intended for Germany, may be sent up the Elbe to Austria, or may be transhipped to some remote part of the world. The official trade returns cannot, therefore, be accepted as absolutely or even approximately accurate. They are only useful as indicating broad results or tendencies. One point of particular interest on which they throw some light is the question of the amount of trade done by Great Britain with her possessions abroad, and the relation which this amount bears to her trade with foreign countries. The official figures for the past ten years are contained in the following tables. Percentages have been added to make the comparisons clearer :

TRADE WITH FOREIGN COUNTRIES AND BRITISH POSSESSIONS RESPECTIVELY.

Imports.

Year.	From Foreign Countries.	From British Possessions.	Percentage of Total from British Possessions.
	£ (millions).	£ (millions).	Per cent.
1891	336	99	23
1892	326	98	23
1893	313	92	23
1894	314	94	23
1895	321	96	23
1896	349	93	21
1897	357	94	21
1898	371	100	22
1899	378	107	22
1900	**414**	**109**	**21**

Exports.

Year.	To Foreign Countries.	To British Possessions.	Percentage of Total to British Possessions.
	£ (millions).	£ (millions).	Per cent.
1891	216	93	30
1892	211	81	28
1893	198	79	29
1894	195	79	29
1895	210	76	26
1896	206	90	30
1897	207	87	30
1898	204	90	30
1899	235	94	29
1900	**252**	**102**	**29**

The above figures show that it is easy to attach undue weight to the phrase 'Trade follows the flag.' In spite of the enormous size of the British Empire, and in spite of the fact that the tariffs of India and the Crown Colonies are controlled by the United Kingdom, the whole of England's imperial trade is worth less than half her foreign trade.

CHAPTER VII.

GEOGRAPHICAL DISTRIBUTION OF BRITISH TRADE.

It must be realized that official trade returns are only approximate indications of the absolute truth, and this consideration necessarily affects the tables on the preceding page. For example, part of the trade credited to Canada belongs to the United States, and *vice versâ*. In the same way, much of the trade credited to Gibraltar belongs to Spain or Morocco, and nearly the whole of the trade credited to Hong Kong belongs to China. As it is quite impossible to disentangle the figures, an attempt has been made to classify the trade of the United Kingdom with regard to geographical regions rather than political divisions. In the following tables (pp. 37 and 38) the term :—

Northern Europe includes Russia (northern ports), Sweden, Norway and Denmark.

Central Europe includes Germany, Holland and Belgium.

Portugal and Spain include the Azores, Madeira, and the Canary Islands.

South-Eastern Europe includes Russia (southern ports), Austro-Hungary, Greece, Montenegro, Bulgaria, Servia, Roumania, European Turkey and Crete.

Northern Africa includes Tripoli, Tunis, Algeria, Morocco, and Spanish ports in Northern Africa.

West Africa includes all British and foreign possessions on the West Coast of Africa between the frontiers of Morocco and Cape Colony, and also includes the islands of Ascension and St. Helena.

East Africa includes all the East Coast of Africa between the frontiers of Natal and Egypt; it also includes the islands of Mada-

TOTAL IMPORTS.

Regions from which Imported.	1896.	1897.	1898.	1899.	1900.
	£ (thousands).	£ (thousands).	£ (thousands).	£ (thousands).	£ (thousands).
1. N. Europe	38,008	41,033	40,232	41,106	45,963
2. Cent. Europe	76,068	76,047	78,601	83,459	86,065
3. France	50,105	53,347	51,397	53,001	53,619
4. Portugal and Spain	15,257	16,505	17,542	18,740	20,113
5. Italy	3,193	3,317	3,332	3,637	3,418
6. S.E. Europe	16,583	14,419	12,295	11,719	11,945
7. Channel Is.	1,336	1,327	1,553	1,690	1,477
8. Gibraltar and Malta	110	134	157	122	123
9. N. Africa	1,150	1,210	1,461	1,527	1,624
10. Egypt	9,659	9,295	8,856	10,914	12,586
11. West Africa	2,558	2,718	2,975	3,081	2,944
12. South Africa	5,254	4,957	6,206	6,077	3,973
13. East Africa	622	637	570	619	647
14. Western Asia	4,080	4,660	3,860	3,720	4,643
15. India and Ceylon	30,016	29,513	32,324	32,824	32,864
16. Malay Archipelago	6,736	5,853	5,977	7,584	9,191
17. China	3,789	3,306	3,401	3,959	3,429
18. Japan	1,241	1,283	1,158	1,692	1,541
19. Australasia	29,598	29,551	28,998	33,641	35,663
20. B. N. America	16,444	19,539	20,755	20,730	22,240
21. United States	106,347	113,042	126,062	120,081	138,789
22. Cent. America	2,431	2,455	2,361	1,964	1,763
23. West Indies	2,669	2,173	2,052	2,078	2,455
24. South America					
(*a*) Atlantic States	13,494	9,958	12,967	15,335	19,690
(*b*) Pacific States	5,049	4,738	5,438	5,700	6,288
25. Whale Fisheries	12	12	15	36	22
TOTAL IMPORTS	441,809	451,029	470,545	485,036	523,075

Total Exports.

Regions to which Exported.	1896.	1897.	1898.	1899.	1900.
	£ (thousands).	£ (thousands).	£ (thousands).	£ (thousands).	£ (thousands).
1. N. Europe	20,405	21,196	24,936	28,291	29,214
2. Cent. Europe	58,641	58,061	60,229	66,609	68,320
3. France	20,658	19,518	20,514	22,277	25,877
4. Portugal and Spain	6,628	6,418	6,209	9,195	10,632
5. Italy	5,888	6,313	6,285	7,726	9,444
6. S.E. Europe	8,096	9,638	9,952	10,147	9,724
7. Channel Is.	1,201	1,303	1,299	1,297	1,207
8. Gibraltar and Malta	1,305	1,534	1,706	1,730	2,156
9. N. Africa	1,203	1,086	1,270	1,479	1,651
10. Egypt	3,875	4,542	4,627	5,224	6,159
11. West Africa	3,117	3,101	3,659	4,192	4,839
12. South Africa	14,886	14,388	13,148	12,209	13,992
13. East Africa	2,085	2,363	2,200	2,283	1,808
14. Western Asia	3,427	4,434	3,956	3,413	3,498
15. India and Ceylon	31,902	29,086	31,624	33,551	32,908
16. Malay Archipelago	4,997	5,315	5,526	5,825	7,610
17. China	8,821	7,260	7,455	10,030	8,622
18. Japan	6,160	5,978	5,062	8,252	9,934
19. Australasia	24,484	23,892	23,638	25,059	29,640
20. B. N. America	6,698	6,483	7,544	8,773	9,683
21. United States	32,036	37,934	28,534	34,975	37,344
22. Cent. America	5,291	4,497	3,866	4,124	4,161
23. West Indies	5,096	4,599	4,043	5,546	5,596
24. South America					
(*a*) Atlantic States	15,372	11,585	13,612	13,557	15,398
(*b*) Pacific States	4,104	3,647	3,117	3,769	4,955
25. Whale Fisheries	3	3	3	2	2
Total Exports	296,379	294,174	294,014	329,535	354,374

gascar, Bourbon, Mauritius and dependencies, and also the harbour of Aden and dependencies.

Western Asia includes Asiatic Turkey, Cyprus, Arabia and Persia.

Malay Archipelago includes the Straits Settlements, Siam, French Indo-China, Java and other Dutch possessions, New Guinea, Borneo, Labuan, Philippines and Ladrone Islands, and other islands in the Indian seas not particularly designated.

China includes Hong Kong and Macao.

Australasia includes Fiji and other Pacific islands.

British North America is used as a geographical term to include Canada, Newfoundland, and the French islands of St. Pierre and Miquelon.

Central America includes Mexico, Guatemala, Honduras, San Salvador, Nicaragua, Costa Rica, Columbia, Venezuela, and British Honduras.

West Indies includes all British and foreign West Indian islands, British, Dutch and French Guiana, and the Bermudas.

South America. The Falkland Islands are included with the Atlantic States.

CHAPTER VIII.

ANALYSIS OF BRITISH TRADE.

In dealing with the statistics of British trade, one of the most interesting and at the same time one of the most difficult problems is the question of how best to classify the multitudinous articles which the United Kingdom receives from or gives to the rest of the world. The official form of classification is by no means satisfactory, and various proposals have been made for its entire reconstruction. In the present work it has not been thought desirable to attempt any such ambitious task. All that has been done is to slightly modify, and in some respects to amplify, the official classification, while preserving its main framework. The most important innovation is the introduction of a distinction between manufactured and partly manufactured products. The importance of this distinction need not be insisted upon, but the difficulty of carrying it out in detail is very considerable. There are scores and hundreds of articles which, looked at from one point of view, are completely manufactured, while from another point of view they are but the raw materials of some important industry. Yarn, for example, is the completed product of the spinning mill, but it is the raw material for the weaving shed. Advancing a stage further, calico would generally be regarded as a completely manufactured article, but it is also one of the principal raw materials of the shirt-maker. In the same way refined sugar is, in the eyes of the sugar producer, a completely finished article, but from the point of view of the jam-maker, the biscuit-maker, and the confectioner, it is only a raw material. These broad and comparatively simple illustrations show the essential difficulties of the subject, but they give a very faint idea of the complexities in such trades as those concerned

with iron and steel. Everyone will agree that iron ore is a raw material, and that pig-iron can best be classified as a partly manufactured product. But how about bar iron and angle iron, steel sheets and boiler plates? An attempt has been made in the following analysis to answer these and kindred questions, not with any expectation that the answers suggested will be accepted as a complete solution of the problem, but in the hope that they may form a step towards arriving at a more satisfactory classification of British imports and exports than that now existing. So far as possible the following principle has been followed—namely, that an article is 'partly manufactured' whenever it requires some further manufacturing process to make it fit for use by private persons. This principle has been supplemented by a proviso that an article may be considered 'manufactured' when, after going through several manufacturing processes, it passes to a trade of a different type. Thus steel girders are classified as 'manufactured' because the trade in which they are used as a raw material—namely, the building trade—is commercially and industrially different from the iron and steel trade. Neither the main principle nor the proviso that accompanies it can be applied with absolute precision in all cases, and the following analysis does not aspire to be more than a rough approximation. The one important fact that emerges from this or from any other fairly full analysis of British trade is the ultimate interdependence of all trades. The curve of production is not a line that ends in an apex representing some fixed product, nor is it even a completed circle. It is an unending spiral, ever lapping back upon its previous path, and yet ever advancing. Iron ore, for example, is a typical raw material; a ship's chronometer is a typical finished product, the culminating triumph of a thousand manufacturing arts. Yet one of the uses of this apparently final product is to guide the ship that will fetch fresh raw material. The curve has lapped round and started again. It is the peculiar good fortune of the people of the United Kingdom that the changing developments of this endless curve of production are not subject to the interference of ignorant or corrupt politicians, but are left to the direction of men whose livelihood depends on an intelligent appreciation of the best path to follow.

One minor improvement effected in the following classification is the reduction of all weights to a common denomination. The ton has

been selected in preference either to the pound or to the hundredweight, first, because it is larger, and, secondly, because a British ton is very little more than a metric ton, so that a rough comparison with metric weights can be made automatically.

SUMMARY OF IMPORTS AND EXPORTS.

Imports.	In the Year 1900.	Exports.
£ (thousands).		£ (thousands).
11,023	I. ANIMALS LIVING.	902
213,036	II. FOOD AND FODDER.	15,319
155,361	III. RAW MATERIALS.	43,713
	IV. PARTLY MANUFACTURED ARTICLES:	
4,744	1. Yarns.	17,319
21,003	2. Metals.	14,531
169	3. Chemicals.	1,119
12,508	4. Other Articles.	2,877
38,424		35,846
	V. MANUFACTURED ARTICLES:	
32,753	1. Textile fabrics.	86,541
8,610	2. Metal manufactures.	29,998
3,784	3. Machinery.	19,620
6,010	4. Apparel.	9,613
4,709	5. Chemicals.	6,980
48,245	6. Miscellaneous manufactures.	31,120
	7. New ships.	8,588
104,111		192,460
1,120	VI. PARCEL POST.	2,952
	VII. RE-EXPORTS OF IMPORTED PRODUCE	63,182
523,075		354,374

DETAILS OF IMPORTS.

Imports.		Quantity.	Value.
			£ (thousands).
I. ANIMALS LIVING:—			
Not for food:			
Horses	No.	51,786	1,351
Unenumerated	„	—	50
For food:			
Oxen, bulls, cows, and calves	„	495,645	9,012
Sheep and lambs	„	382,833	610
TOTAL ANIMALS LIVING		—	**11,023**
II. FOOD AND FODDER (including Stimulants and Drugs):—			
CORN, ETC.:			
Wheat	Tons	3,433,475	23,346
Barley	„	852,750	5,153
Oats	„	1,005,478	5,236
Rye	„	61,221	360
Peas	„	112,454	780
Beans, other than kidney, haricot, locust, or French	„	85,888	537
Maize	„	2,707,578	12,328
Buckwheat	„	5,514	35
Wheatmeal and flour ...	„	1,077,407	10,102
Oatmeal and groats ..	„	41,872	524
Maize-meal	„	81,675	456
Meal, unenumerated ...	„	16,488	85
Malt	Gallons	59,392	2
Rice, ricemeal, and flour ...	Tons	314,567	2,408
Sago, sagomeal, and flour ...	„	22,357	183
Other farinaceous substances	„	—	1,457
Locust beans	„	35,062	165
TOTAL CORN, ETC. ...		—	**63,157**
MEAT, ETC.:			
Beef, fresh	„	206,407	8,163
„ salted	„	9,647	256
„ otherwise preserved ...	„	25,901	1,457
Mutton, fresh	„	169,643	5,842
„ preserved	„	3,223	151

Imports.	Quantity.	Value.
		£ (thousands).
II. FOOD AND FODDER: MEAT, ETC.—*continued.*		
Pork, fresh ... ... Tons	34,770	1,495
„ salted ... ... „	12,436	301
Bacon and hams ... ... „	372,195	15,996
Other preserved meats ... „	11,178	776
Poultry and game	—	1,010
Rabbits ... ... „	23,658	730
Meat, unenumerated ... „	26,534	982
FISH (including turtle):		
Fresh (not of British taking):		
Herrings ... ... „	15,119	129
Other sorts ... ... „	11,355	386
Shell-fish—oysters ... „	8,804	161
„ other sorts ... „	7,689	53
Cured and salted:		
Sardines ... ... „	11,319	695
Other sorts ... ... „	57,029	2,201
Total Fish	*111,315*	*3,625*
TOTAL MEAT, ETC. ...	—	**40,784**
DAIRY PRODUCE:		
Butter ... ... „	168,926	17,450
Margarine ... ... „	46,021	2,465
Oleo-margarine ... ... „	9,078	300
Cheese ... ... „	135,294	6,838
Margarine cheese ... ... „	607	20
Eggs ... ... Great hundreds	16,882,078	5,406
Honey ... ... Tons	944	30
Lard and imitation lard ... „	99,930	3,365
Milk, condensed ... ... „	49,350	1,744
„ fresh and preserved ... „	782	27
TOTAL DAIRY PRODUCE	—	**37,645**
VEGETABLES:		
Raw—		
Onions ... ... Gallons	56,696,840	853
Potatoes ... ... Tons	445,548	2,235

Imports.		Quantity.	Value.
			£ (thousands).
II. FOOD AND FODDER: VEGETABLES—*continued.*			
Tomatoes Vegetables, unenumerated	Tons	41,651	792 766
TOTAL VEGETABLES ...		—	4,646
FRUIT:			
Dried or Preserved—			
Currants	„	41,226	1,820
Figs and fig-cake	„	8,030	271
Plums	„	5,436	172
Prunes	„	1,429	41
Raisins	„	32,918	1,318
Unenumerated	„	31,679	429
Raw—			
Apples	„	106,427	1,225
Apricots and peaches ...	„	684	26
Bananas	Bunches	1,287,442	549
Cherries	Tons	12,126	308
Currants	„	3,223	87
Gooseberries	„	1,302	15
Grapes	„	29,643	595
Lemons, limes and citrons	„	47,395	421
Nuts, almonds	„	7,018	570
Other nuts	„	38,165	602
Oranges	„	254,519	2,121
Pears	„	23,845	369
Plums	„	21,150	393
Strawberries	„	2,611	86
Unenumerated	„	24,736	290
Preserved without sugar ...		49,761	936
Juice	Gallons	1,019,860	83
TOTAL FRUIT		—	12,727
TEA, COFFEE, AND COCOA:			
Tea	Tons	133,757	10,692
Coffee { Raw	„	37,952	2,542
Coffee { Roasted or ground	„	30	3
Chicory { Raw	„	4,886	41
Chicory { Roasted or ground	„	47	1

Imports.	Quantity.	Value.
		£ (thousands).
II. FOOD AND FODDER: TEA, ETC.—*continued.*		
Cocoa, raw ... ... Tons	23,503	1,669
Cocoa or chocolate, ground or manufactured ... ... „	3,573	721
Cocoa or chocolate, in the manufacture of which spirit has been used ... ... „	47	9
Cocoa butter ... ... „	562	80
TOTAL TEA, ETC. ...	—	15,758
ALCOHOLIC LIQUORS:		
Beer and ale ... ... Gallons	1,915,920	154
Cider and perry ... ... „	436,592	16
Spirits—		
Brandy ... ... Proof gallons	2,596,263	1,206
Rum ... ... „ „	6,196,547	483
Imitation rum ... „ „	42,634	3
Geneva ... ... „ „	413,042	64
Unenumerated, not sweetened or mixed ... „ „	1,429,910	80
Sweetened or mixed „ „	101,936	203
Liqueurs, cordials, etc. „	15,210	23
Perfumed ... ... „	53,590	129
Total Spirits	—	*2,191*
Wine—		
Imported in casks ... ... „	14,587,859	2,842
Imported in bottle:		
Still ... ... „	557,986	265
Sparkling:		
Champagne ... ... „	1,383,767	1,925
Saumur ... ... „	153,152	77
Burgundy ... ... „	14,738	11
Hock ... ... „	51,531	36
Moselle ... ... „	50,515	34
Other sorts ... ... „	4,281	3
Total Wines	—	*5,193*
TOTAL ALCOHOLIC LIQUORS	—	7,554

Imports.	Quantity.	Value.
		£ (thousands).
II. FOOD AND FODDER—*continued.*		
MINERAL WATERS Dozen bottles	1,250,682	262
SUGAR:		
Refined:		
In lumps and loaves ... Tons	143,949	1,986
Other sorts ... ... „	818,465	10,354
Unrefined:		
Beetroot ... ... „	511,978	5,121
Cane and other sorts ... „	149,769	1,797
Molasses ... ... „	67,397	348
Glucose ... ... „	92,125	746
Fruits and vegetables preserved in sugar ... ... „	6,000	229
Confectionery:		
Not containing dutiable articles ... ... „	2,476	93
Containing spirit ... ... „	105	21
Not containing more than 50 per cent. of chocolate „	33	6
TOTAL SUGAR	—	20,701
TOBACCO:		
Unmanufactured ... ... „	43,905	2,935
Manufactured: Cigars ... „	1,214	1,561
„ Cavendish or Negrohead „	1,367	131
„ Other sorts... „	254	173
TOTAL TOBACCO... ...	—	4,800
CONDIMENTS:		
Pickles or vegetables preserved in salt or vinegar Gallons	2,998,884	177
Sauces or condiments unenumerated ... ... Tons	2,603	70
Spices:		
Cinnamon ... ... „	736	41
Ginger ... ... „	2,787	130
Pepper ... ... „	9,944	612

Imports.		Quantity.	Value.
			£ (thousands).
FOOD AND FODDER: CONDIMENTS— Spices—*continued.*			
Unenumerated	Tons	4,239	218
Vinegar	Gallons	193,354	13
TOTAL CONDIMENTS ...		—	**1,261**
MEDICINES:			
Liquorice	Tons	1,553	76
Bark, Peruvian	,,	2,055	92
Opium	,,	372	426
Unenumerated	—	—	1,210
TOTAL MEDICINES ...		—	**1,804**
SUNDRIES:			
Hay	,,	109,698	397
Hops	,,	9,925	795
Ice	,,	449,701	275
Isinglass	,,	461	129
Yeast	,,	6,937	341
TOTAL SUNDRIES ...		—	**1,937**
TOTAL FOOD AND FODDER		—	**213,036**
III. RAW MATERIALS:			
COAL, Culm, cinders and shale...	Tons	9,949	12
METAL ORES:—			
Copper	,,	100,753	1,172
Gold	,,	—	287
Iron	,,	6,297,963	5,639
Lead	,,	21,219	219
Manganese	,,	265,757	684
Pyrites, iron and copper ...	,,	741,431	1,237
Quicksilver	,,	1,096	297
Silver	,,	—	1,031
Tin	,,	7,329	376
Zinc	,,	42,068	236

Imports.		Quantity.	Value.
			£ (thousands).
III. RAW MATERIALS: METAL ORES—*continued.*			
Ores unenumerated	Tons	62,350	333
Old metal to be remanufactured	„	46,417	681
TOTAL METAL ORES ...		—	**12,192**
OTHER MINERALS :—			
Asbestos	„	4,595	90
Asphalt	„	52,208	146
Borax	„	15,420	155
Brimstone	„	22,533	109
Plumbago	„	14,722	347
Precious stones, uncut ...	„	—	28
Saltpetre	„	12,601	215
Sand	„	205,783	70
Talc, mica, French chalk, steatite, mineral white, silica and soapstone ...	„	7,824	216
TOTAL OTHER MINERALS		—	**1,376**
MATERIALS FOR TEXTILE MANUFACTURES :—			
Cotton	„	785,807	40,983
Flax	„	71,586	2,511
Hemp	„	111,711	3,444
Jute	„	280,919	4,134
Silk	„	631	916
Wool :—Alpaca, vicuna or llama	„	2,587	276
Goat's hair or wool :			
Mohair	„	8,056	1,227
Other sorts ...	„	1,720	62
Sheep or lamb's wool	„	246,944	21,836
Other kinds and flocks		1,246	157
Total Wool ...		*260,553*	*23,558*
Woollen rags	„	30,695	578
TOTAL MATERIALS FOR TEXTILE MANUFACTURES		—	**76,124**

Imports.		Quantity.	Value.
			£ (thousands).
III. Raw Materials—*continued.*			
Hides, Skins, Hair, etc.:			
Bristles	Tons	1,667	525
Hair—Cow, ox, bull or elk ...	„	3,104	76
„ Horse	„	1,495	206
„ Unenumerated ...	—	—	318
Hides, Raw dry	„	37,387	1,950
„ „ wet	„	31,810	1,468
Skins, Goat, undressed ...	No.	14,875,790	1,413
„ Sheep „ ...	„	15,057,995	1,600
„ Unenumerated ...	„	315,630	34
Furs, Rabbit skins	„	33,415,248	215
„ Seal skins	„	556,604	369
„ Unenumerated ...	„	12,739,986	1,451
Total Hides, Skins, etc.		—	**9,625**
Gum and Caoutchouc:—			
Caoutchouc	Tons	25,664	6,986
Gum, Arabic	„	4,150	177
„ Kowrie	„	5,742	351
„ Lac-dye, seedlac, shellac and sticklac ...	„	5,654	364
„ Unenumerated ...	„	7,200	509
Gutta-percha	„	6,303	1,686
Rosin	„	90,079	461
Total Gum and Caoutchouc		—	**10,534**
Oil-making Materials:—			
Nuts and kernels	„	—	813
Seeds—Cotton	„	406,478	2,624
„ Flax or linseed	Gallons	106,625,984	4,162
„ Rape	„	8,591,552	247
„ Unenumerated ...	„	12,200,000	387
Total Oil-making Materials		—	**8,233**

Imports.		Quantity.	Value.
			£ (thousands).
III. RAW MATERIALS—*continued.*			
PAPER-MAKING MATERIALS :—			
Linen and cotton rags ...	Tons	16,612	162
Esparto and other vegetable fibres	„	200,280	800
Pulp of wood	„	487,742	2,618
Other materials	„	20,113	113
TOTAL PAPER-MAKING MATERIALS	„	—	**3,693**
SHELLS OF ALL KINDS	—	—	**541**
WOOD AND TIMBER :			
Hewn fir	Loads	2,787,945	4,300
„ oak	„	173,800	1,019
„ teak	„	63,080	786
„ unenumerated ...	„	96,323	358
Sawn fir	„	6,401,636	17,856
„ unenumerated ...	„	231,074	830
Dye-woods :			
Logwood	Tons	19,807	115
Unenumerated	„	13,120	61
Furniture wood :			
Mahogany	„	89,593	828
Unenumerated	„	192,134	1,177
Cork	„	28,439	221
TOTAL WOOD AND TIMBER	—	—	**27,551**
MANURES :			
Bones	„	68,137	302
Guano	„	33,636	177
Nitrate of soda	„	141,155	1,155
Phosphate of lime and rock phosphate	„	355,502	589
Unenumerated	„	99,626	207
TOTAL MANURES ...	—	—	**2,430**

Imports.		Quantity.	Value.
			£ (thousands).
III. RAW MATERIALS—*continued.*			
SUNDRIES:			
Bones for manufacturing purposes	Tons	11,858	52
Galls	„	1,188	69
Horns, tips, hoofs, etc. ...	„	6,241	213
Ivory—			
Teeth, Elephants', sea-cow or walrus	„	495	399
Vegetable	„	699	8
Moss litter	„	76,923	91
Piassava fibre and other fibres for brush-making	„	8,209	197
Plants, shrubs, trees and flower-roots	—	—	446
Seeds for agriculture ...	—	—	872
Sponge	—	668	246
Straw	„	55,835	128
Whalebone	„	146	59
Willow and rods for basket-making	—	—	53
Unenumerated	—	—	217
TOTAL SUNDRIES ...	—	—	3,050
TOTAL RAW MATERIALS		—	155,361
IV. PARTLY MANUFACTURED ARTICLES:—			
1. YARNS:			
Cotton (including waste) ...	Tons	10,849	422
Jute	„	2,829	89
Linen	„	11,375	915
Silk, thrown and spun ...	„	—	603
„ knubs or husks, and waste	„	3,036	546
Woollen	„	297	2,169
TOTAL YARNS	—	—	4,744

Imports.		Quantity.	Value.
			£ (thousands).
IV. PARTLY MANUFACTURED ARTICLES—*continued.*			
2. METALS:			
Copper, regulus and precipitate	Tons	87,739	3,517
Copper, unwrought, in bars, blocks, cakes, slabs, and ingots	„	70,885	5,262
Copper, part wrought ...	„	201	15
Iron, pig and puddled ...	„	181,061	805
„ bar, angle, bolt and rod	„	80,129	656
„ steel, unwrought ...	„	179,341	1,218
Lead, pig and sheet	„	21,219	3,322
Platinum	Ozs. troy	160,860	228
Tin, blocks, ingots, bars and slabs	Tons	33,118	4,359
Zinc, crude in cakes ...	„	69,536	1,442
Unenumerated, unwrought ...	„	2,470	179
TOTAL METALS	—	—	21,003
3. CHEMICALS:			
Alkali	„	16,103	169
4. OTHER ARTICLES:			
Feathers and down in or for beds	„	2,042	114
Glue (stock and pieces for making glue)	„	7,540	123
Leather, undressed	„	48,966	4,986
„ dressed, varnished, japanned or enamelled ...	„	21,480	3,807
Plaiting of straw for manufacture of hats and bonnets ...	„	4,287	643
Tallow and stearine	„	108,900	2,835
TOTAL OTHER ARTICLES	—	—	12,508
TOTAL PARTLY MANUFACTURED ARTICLES	—	—	38,424

Imports.		Quantity.	Value.
			£ (thousands).
V. MANUFACTURED ARTICLES:—			
1. TEXTILE FABRICS:	Thousand yards.		
Cotton—			
Piece-goods, muslins ...	,,	565	10
Piece-goods, other ...	,,	45,924	923
Hosiery of all sorts ...	—	—	620
Unenumerated	—	—	3,220
Total Cotton ...	—	—	*4,773*
Jute—			
Piece-goods, including sacks and bags ...	—	—	2,151
Lace and articles thereof:			
of silk	—	—	486
of other materials ...	—	—	1,165
Linen, including linen manufactures mixed with cotton	—	—	590
Silk—			
Broadstuffs, silk and satin	—	—	6,784
Broadstuffs, velvet ...	—	—	547
Ribbons, silk or satin	—	—	2,304
,, other kind ...	—	—	4
Unenumerated ...	—	—	4,642
Total Silk ...	—		*14,280*
Woollen—			
Goat's-hair or wool ...	—	—	117
Wool other than goat's—			
Cloths	—	4,087	622
Stuffs	,,	62,717	4,313
Carpets and rugs	—	—	573
Unenumerated ...	—	—	3,683
Total Woollen ...	—	—	*9,308*
TOTAL TEXTILES ...	—	—	**32,753**

Imports.		Quantity.	Value.
			£ (thousands).
V. MANUFACTURED ARTICLES — *continued.*			
2. METAL MANUFACTURES:			
Brass, bronze, and metal bronzed or lacquered ...	Tons.	2,297	217
Copper, unenumerated manufactures		—	1,050
Gold, leaves of	No.	54,346,025	108
Hardware and cutlery ...	Tons.	14,586	901
Iron and steel—			
Girders, beams, joists, and pillars	„	93,176	706
Rails, steel for railways or tramways	„	38,028	313
Tyres and axles... ...	„	2,113	44
Unenumerated	„	225,737	3,573
Total Iron and Steel ...	—	—	*4,636*
Zinc	„	21,751	560
Unenumerated	„	5,856	685
Silver and gold plate	Ozs. troy	112,831	35
Tools and implements ...		—	418
TOTAL METAL MANUFACTURES ...	—	—	**8,610**
3. MACHINERY:			
Made of iron and steel ...	—	—	3,196
Other than iron and steel	—	—	308
Sewing-machines	—	—	280
TOTAL MACHINERY ...	—	—	**3,784**
4. APPAREL:			
Beads and bead trimming	—	—	339
Buttons and studs not of metal	Gross.	3,216,379	290
Embroidery and needlework	—	—	1,172
Feathers, ornamental ...	Tons.	521	1,425
Hats and bonnets...	Dozens.	308,287	208
Jewellery	—	—	138

Imports.	Quantity.	Value.
		£ (thousands).
V. MANUFACTURED ARTICLES:		
APPAREL—*continued.*		
Boots and shoes ... Dozen pairs	233,668	694
Gloves ... ... „ „	1,590,796	1,744
TOTAL APPAREL ... —	—	6,010
5. CHEMICALS:		
Carbide of calcium ... Tons	944	16
Dye-stuffs ... ... —	—	3,167
Methylic alcohol .. Gallons	270,844	43
Unenumerated ... ... —	—	1,483
TOTAL CHEMICALS ... —	—	4,709
6. MISCELLANEOUS MANUFACTURES:		
Ammunition ... ... —	—	294
Arms ... ... —	—	152
Art, works of, including pictures and prints ... —	—	797
Books, maps, and charts ... Tons	2,045	234
Candles ... ... „	578	23
Caoutchouc, manufactures of „	2,653	712
Carriages, wagonettes, carts, etc. ... ... No.	4,514	277
Cement ... ... Tons	104,771	212
Clocks and parts thereof ... —	—	540
Coal products (pitch and tar) Tons	24,770	146
Cordage, cables, twine, and cable yarn ... ... —	—	1,141
Cork ... ... Tons	6,049	820
Cycles ... ... —	—	195
Earthen and China ware ... Tons	18,034	929
Electrical goods and apparatus—	—	1,266
Fancy goods ... ... —	—	1,237
Flowers, artificial ... ... —	—	533
Glass ... ... —	—	3,199
Glue ... ... Tons	10,658	464
Leather manufactures (unspecified) ... ... —	—	591
Matches ... ... Gross boxes	7,760,209	381

Imports.		Quantity.	Value.
			£ (thousands).
V. MANUFACTURED ARTICLES: MISCELLANEOUS—*continued.*			
Musical instruments ...	—	—	1,222
Paraffin	Tons.	49,229	1,337
Petroleum ...	Gallons.	254,978,043	5,559
Seed, palm, and other oil...	—	—	5,174
Oil and seed cake ...	Tons.	394,890	2,547
Painters' colours and pigments	—	—	1,350
Paper	Tons	316,622	4,412
Scientific instruments ...	—	—	649
Skins and furs (including rugs)	—	—	1,003
Soap and soap powder ...	Tons	9,562	245
Stationery	—	—	253
Stones, slabs, and marble	Tons	946,040	1,133
Toys and games	—	—	1,188
Watches, and parts thereof	—	—	1,364
Wood (including staves, house frames, etc.) ...	—	—	3,027
Unenumerated	—	—	3,639
TOTAL MISCELLANEOUS MANUFACTURES ...	—	—	48,245
TOTAL MANUFACTURED ARTICLES	—	—	104,111
VI. PARCEL POST	—	—	1,120
TOTAL IMPORTS ...	—	—	523,075

Details of Exports:—Home Produce.

Exports:—Home Produce.	Quantity.	Value.
		£ (thousands).
I. ANIMALS LIVING:—		
Not for Food:		
Horses ... ... No.	30,038	682
Unenumerated ... ... „	75,642	45
For Food:		
Bulls, oxen, cows, and calves	2,742	119
Sheep and lambs ... ... „	4,934	53
Swine ... ... „	435	3
TOTAL ANIMALS LIVING —	—	**902**
II. FOOD AND FODDER (including Stimulants and Drugs):—		
Corn:		
Wheat ... ... Tons	1,951	17
Wheatmeal ... ... „	36,012	305
Bran and pollard ... ... „	40,559	178
Malt ... ... Gallons	8,257,280	242
Other kinds ... ... Tons	11,667	117
Biscuits and bread ... ... „	13,917	684
Total Corn ... ... —	—	**1,543**
Meat:		
Beef, mutton, pork, and hams „	6,398	411
Fish (fresh and cured):		
Herrings ... ... Barrels	1,540,875	2,338
Salmon ... ... Tons	274	50
Pilchards ... ... Hogsheads	19,304	57
Unenumerated ... ... —	—	556
Provisions, unenumerated ... —	—	974
Total Meat ... ... —	—	**4,386**
Dairy Produce:		
Butter ... ... Tons	525	56
Margarine ... ... „	152	7
Oleo-margarine ... ... „	474	17

Exports :—Home Produce.		Quantity.	Value.
			£ (thousands).
II. FOOD AND FODDER: DAIRY PRODUCE—*continued.*			
Cheese	Tons	467	37
Eggs	—	—	7
Milk, condensed	„	10,472	391
TOTAL DAIRY PRODUCE	—	—	**515**
VEGETABLES:			
Potatoes	„	**8,980**	**43**
SUGAR:			
Refined and Candy sugar ...	„	30,318	382
Molasses, treacle, syrup, and glucose	„	11,949	119
Confectionery, jams, and preserved fruits	—	—	607
TOTAL SUGAR	—	—	**1,108**
COFFEE AND COCOA:			
Chicory, roasted or ground ...	Tons	434	8
Chicory and coffee, roasted or ground	„	51	4
Coffee, roasted or ground ...	„	182	17
Cocoa or chocolate, ground and prepared	„	1,781	207
TOTAL COFFEE AND COCOA	—	—	**236**
ALCOHOLIC LIQUORS:			
Beer and ale	Thousand gallons	18,390	1,760
Spirits, British and Irish	Thousand gallons (proof)	5,721	2,363
Wine, British made	Thousand gallons	16	8
TOTAL ALCOHOLIC LIQUORS	—	—	**4,132**
AERATED WATERS:	Dozen bottles	1,105,364	**173**

Exports :—Home Produce.		Quantity.	Value.
			£ (thousands).
TOBACCO AND SNUFF :			
Cigars	Tons	4	4
Snuff	„	229	4
Cavendish or negro-head ...	„	2,107	506
Other kinds	„	126	65
TOTAL TOBACCO AND SNUFF	—	—	**579**
DRUGS :			
Medicines, comprising drugs and medicinal preparations	—	—	**1,263**
CONDIMENTS :			
Pickles, vinegars, sauces, etc.	—	—	822
Salt	„	547,395	457
TOTAL CONDIMENTS ..	—	—	**1,279**
SUNDRIES :			
Hops	—	750	**63**
TOTAL FOOD AND FODDER	—	—	**15,319**
III. RAW MATERIALS :—			
COAL, ETC. :			
Coal and culm	„	44,089,197	36,410
Coke and cinders	„	985,365	1,216
Fuel, manufactured	„	1,023,666	994
TOTAL COAL, ETC. ...	—	—	**38,620**
METAL ORES AND OLD METAL :			
Iron ore	„	3,414	8
„ old and scrap	„	93,937	369
Lead ore	„	1,482	14
Zinc	„	13,689	42
TOTAL ORES, ETC. ...	—	—	**433**
OTHER MINERALS :			
Clay	„	437,594	483
Slate, by tale	No.	23,740,600	148
TOTAL OTHER MINERALS	—	—	**631**

Exports :—Home Produce.		Quantity.	Value.
			£ (thousands).
RAW MATERIALS FOR TEXTILE MANUFACTURES :			
Flax and hemp	Tons	1,640	120
Wool—			
Sheep and lamb	„	11,174	780
Flocks and ragwool ...	„	5,865	328
Noils	„	3,526	464
Waste	„	711	54
TOTAL RAW TEXTILE MATERIALS	—	—	**1,746**
HIDES, SKINS, ETC. :			
Hides, raw	„	8,058	309
Sheep and lamb skins, undressed, without the wool	No.	6,480,500	384
Unenumerated skins and furs	—	—	349
TOTAL HIDES AND SKINS	—	—	**1,042**
PAPER-MAKING MATERIALS :			
Rags and other materials ...	Tons	**62,258**	**375**
WOOD AND TIMBER :			
Rough hewn, sawn, or split.	Loads	**1,276**	**9**
SUNDRIES :			
Seeds, unenumerated ...	Tons	13,049	346
Unenumerated articles ...	—	—	511
TOTAL SUNDRIES ...	—	—	**857**
TOTAL RAW MATERIALS	—	—	**43,713**
IV. PARTLY-MANUFACTURED ARTICLES :—			
1. YARNS :			
Cotton	Tons	70,200	7,741
Jute	„	17,300	486
Linen	„	7,300	934
Silk	„	500	426
Woollen and worsted ...	„	44,900	7,732
TOTAL YARNS	—	—	**17,319**

Exports :—Home Produce.		Quantity.	Value.
			£ (thousands).
IV. PARTLY MANUFACTURED ARTICLES—*continued.*			
2. METALS :			
Copper, unwrought ...	Tons	18,036	1,398
Iron, pig and puddled ...	„	1,427,525	5,994
„ bar, angle, bolt, and rod	„	157,164	1,543
„ plates for tinning ...	„	5,070	59
Steel, ingots, bar, sheet, and plates for tinning ...	„	369,666	4,337
Tin, unwrought	„	5,619	763
Lead, pig	„	17,479	307
Zinc, crude, in cakes ...	„	7,021	130
TOTAL METALS	—	—	14,531
3. CHEMICALS :			
Alkali	„	182,785	*1,119*
4. OTHER ARTICLES :			
Grease, tallow, and animal fat	„	30,389	759
Leather, unwrought ...	„	6,821	1,439
Skins, foreign, dressed in the United Kingdom ...	No.	3,321,200	625
Straw-plaiting	Tons	244	54
TOTAL OTHER ARTICLES	—	—	2,877
TOTAL PARTLY MANUFACTURED ARTICLES	—	—	35,846
V. MANUFACTURED ARTICLES :—			
1. TEXTILE FABRICS :			
Cloth cuttings	„	2,137	40
Cotton—	Thousand		
Piece-goods :	yards		
Wholly of cotton, unbleached, gray ...	„	1,926,870	16,189
Bleached, white ...	„	1,306,257	13,233
Printed	„	957,915	10,555
Dyed	„	840,603	12,406
Mixed materials, cotton predominating ...	„	83	2

Exports :—Home Produce.	Quantity.	Value.
		£ (thousands).
V. MANUFACTURED ARTICLES: TEXTILE FABRICS:		
Cotton—*continued.*		
Lace and patent net ... —	—	2,671
Hosiery—		
Stockings and socks Dozen pairs	681,700	229
Other kinds ... ... —	—	165
Thread for sewing and stitching ... Tons	15,400	3,932
Other manufactures, unenumerated ... —	—	2,627
Total Cotton ... —	—	*62,009*
Jute— Thousand		
Piece-goods ... yards	173,977	1,875
Other manufactures ... —	—	73
Total Jute ... —	—	*1,948*
Linen—		
Piece-goods:		
Plain, unbleached, or bleached ... ... „	141,563	3,420
Checked, printed or dyed, and damask and diaper ... ... „	7,806	181
Sailcloth ... ... „	5,338	250
Thread for sewing ... Tons	821	237
Other manufactures ... —	—	1,136
Total Linen ... —	—	*5,224*
Silk—		
Wholly of silk:		
Broadstuffs of silk Thousand		
or satin ... ... yards	4,772	539
Handkerchiefs, scarfs, and shawls ... ... —	—	256
Ribbons of all sorts ... —	—	56
Lace ... ... —	—	144
Unenumerated ... ... —	—	183

Exports :—Home Produce.		Quantity.	Value.
			£ (thousands).
V. MANUFACTURED ARTICLES : TEXTILE FABRICS—*continued.*			
Silk and other materials :			
Broadstuffs	„	5,475	425
Other kinds	—	—	35
Total Silk ...	—	—	*1,638*
Woollen and worsted—			
Woollen :			
Heavy tissues above 11 ozs. per square yard :			
Broad, all wool ...	„	11,041	2,497
„ mixed ...	„	15,552	1,458
Narrow, all wool ...	„	565	88
„ mixed ...	„	436	33
Light tissues under 11 ozs. per square yard :			
Broad, all wool ...	„	5,867	808
„ mixed ...	„	9,702	612
Narrow, all wool ...	„	2,932	201
„ mixed ...	„	4,406	210
Worsted—			
Coatings and trouserings:			
Broad, all wool ...	„	9,961	2,026
„ mixed ...	„	5,473	621
Narrow, all wool ...	„	608	85
„ mixed ...	„	1,085	99
Stuffs, dress goods, linings, lastings :			
All wool	„	10,930	553
Mixed	„	74,115	3,083
Damask and tapestry and other furniture stuffs	„	297	31
Plushes, wool and mohair	„	104	12
Flannels	„	11,699	409
Carpets	„	8,740	920
Blankets	Pairs	857,900	310
Shawls	No.	709,000	84
Rugs, coverlets, or wrappers	„	1,711,800	408

Exports :—Home Produce.		Quantity.	Value.
			£ (thousands).
V. MANUFACTURED ARTICLES : TEXTILE FABRICS :			
Woollen and worsted—*continued.*			
Hosiery ... ... —		—	899
Manufactures unenumerated ... ... —		—	235
Total Woollen and Worsted... —		—	*15,682*
TOTAL TEXTILE FABRICS ... —		—	**86,541**
2. METAL MANUFACTURES :			
Brass (excluding ordnance)	Tons	6,039	631
Copper—			
Mixed or yellow metal...	,,	8,770	585
Unenumerated	,,	10,596	942
Hardware	,,	14,353	1,501
Cutlery ... ... —		—	639
Implements and tools—			
Agricultural ... ... —		—	384
Other ... ... —		—	1,107
Iron and steel—			
Railroad, namely :			
Rails	,,	373,956	2,367
Chairs and sleepers ...	,,	42,669	271
Unenumerated ...	,,	47,106	554
Wire of iron or steel ...	,,	38,441	904
Sheets and boiler plates	,,	38,077	417
Sheets, galvanized ...	,,	247,177	3,788
Armour plates	,,	463	43
Hoops and hoop-iron ...	,,	46,240	478
Tin plates and sheets ...	,,	272,877	3,977
Anchors, grapnels, chains, and cables	,,	22,511	483
Tubes and pipes, wrought	,,	58,286	1,332
Nails, screws, rivets ...	,,	20,962	450
Bedsteads	,,	14,244	351
Cast-iron, and manufactures thereof, unenumerated	,,	122,210	1,195

Exports: Home Produce.			Quantity.	Value.
				£ (thousands).
V. MANUFACTURED ARTICLES: METAL MANUFACTURES:				
Iron and Steel—*continued.*				
Wrought iron and steel, and manufactures unenumerated	„		100,424	2,058
Steel, or steel and iron combined	„		41,694	1,022
Total Iron and Steel ...	—		—	*19,690*
Lead, rolled, sheet, pipe tubing, and other ...	„		18,510	382
Metals and manufactures unenumerated ...	—		—	839
Plate, gold and silver	Ozs. troy		150,403	54
Plated and gilt wares ...	—		—	405
Telegraphic wires and apparatus	—		—	2,802
Zinc	Tons		1,140	37
TOTAL METAL MANUFACTURES	—		—	**29,998**
3. MACHINERY:				
Steam engines—				
Locomotive	„		—	1,497
Agricultural	„		—	755
Others	„		—	1,843
Other machinery—				
Agricultural	„		—	873
Sewing-machines ...	„		—	1,452
Mining	„		—	562
Textile	„		—	6,214
Sundry	„		—	6,424
TOTAL MACHINERY ...	—		—	**19,620**
4. APPAREL, ETC.:				
Apparel and slops... ...	—		—	5,287
Haberdashery and millinery (including embroidery, etc.)			—	1,535

Exports: Home Produce.		Quantity.	Value.
			£ (thousands).
V. MANUFACTURED ARTICLES:			
APPAREL, ETC.—*continued.*			
Hats and hatters' wares	Doz. hats	1,088,014	1,312
Boots and shoes ...	„ pairs	630,244	1,479
TOTAL APPAREL ...	—	—	9,613
5. CHEMICALS:			
Bleaching materials ...	Tons	63,370	369
Chemicals, unenumerated...	—	—	2,754
Copper, sulphate of ...	„	42,900	1,013
Dye-stuffs (products of coal-tar, etc.)	—	—	337
Manures	„	400,013	2,408
Saltpetre	„	1,234	26
Spirits, methylated and other	—	—	73
TOTAL CHEMICALS ...	—	—	6,980
6. MISCELLANEOUS MANUFACTURES:			
Ammunition	—	—	1,365
Arms	—	—	695
Bags and sacks ...	Dozens	2,334,400	538
Books, printed	Tons	11,939	1,469
Coal products (naphtha, paraffin, petroleum, tar, pitch, etc.)	—	—	1,812
Candles	„	10,083	398
Caoutchouc	—	—	1,423
Carriages, railway and other	—	—	1,959
Cycles, and parts thereof...	—	—	531
Cement	„	359,944	673
Cordage, ropes, twine, etc.	„	10,509	522
Earthen and china ware ...	—	—	2,038
Electric lighting apparatus	—	—	546
Furniture	—	—	637
Glass	—	—	1,034
Leather	—	—	479
Matches	Gross boxes	788,100	99
Mica and Talc ... „	„	—	9
Oil, seed and other ...	Tons	42,937	1,591

Exports: Home Produce.		Quantity.	Value.
			£ (thousands).
V. MANUFACTURED ARTICLES: MISCELLANEOUS MANUFACTURES — *continued.*			
Oil and flour cloth	Thousand sq. yds.	27,846	1,313
Painters' colours and materials	—	—	2,054
Paper	Tons	53,185	1,649
Saddlery and harness ...	„	—	477
Soap	„	43,711	940
Stationery, other than paper	—	—	1,070
Wood, staves, casks and other	—	—	440
Unenumerated	—	—	5,359
TOTAL MISCELLANEOUS MANUFACTURES ...	—	—	31,120
7. NEW SHIPS	—	—	8,588
TOTAL MANUFACTURED ARTICLES	—	—	192,460
VI. PARCEL POST	—	—	2,952
TOTAL EXPORTS OF HOME PRODUCE...	—	—	291,192
RE-EXPORTS OF IMPORTED PRODUCE	—	—	63,182
TOTAL EXPORTS ...	—	—	354,374

CHAPTER IX.

SHIPPING.

ONE of the most important and one of the most prosperous of British industries is the shipping industry. At the time when wooden sailing ships were giving way to iron steamships, England was fortunately in a position to be able to take full advantage of the change, and thus gained an important start in the construction of a modern mercantile marine. British ship-builders and ship-owners have enjoyed the further advantage of being able to buy all the materials for their industries at the lowest prices, whereas in many other countries the prices of important elements in the construction and working of ships have been raised by taxes imposed for the benefit of other trades. Nor does it appear that in practice the adoption by foreign countries of the bounty system to encourage the development of their own shipping has met with any great success. Apparently the conditions imposed upon the recipients of bounties have generally counterbalanced the bounties themselves. At any rate, British shipping has continued to maintain its lead, and even, in many instances, to improve upon it. The following tables give particulars of the shipping engaged in the foreign commerce of British ports, and also of the shipping engaged in the direct trade between the United States and the United Kingdom. The latter table is specially striking as showing both the absolute and the relative gains of British shipping. A third table shows the growth in the number of ships registered as belonging to the British Isles.

Sailing and Steam Ships (Excluding Coasters).

Entered and cleared at Ports of the United Kingdom with Cargo and in Ballast.

Nationality.	1860.	1870.	1880.	1890.	1895.	1900.
	Tons (thousands).	Tons (thousands).	Tons (thousands).	Tons (thousands).	Tons (thousands).	Tons (thousands).
British	13,915	25,072	41,349	53,973	58,692	62,711*
Foreign:						
United States	2,982	1,266	1,006	292	657	560
Austrian	344	339	329	118	210	491
Belgian	132	319	534	873	1,089	1,602
Danish	760	753	1,385	1,854	1,952	3,495
Dutch	567	532	1,170	1,901	2,307	3,214
French	913	1,106	1,743	1,687	1,839	2,822
German	2,314	1,763	3,174	4,393	3,889	6,027
Italian	303	935	1,125	444	336	1,409
Norwegian	1,457	2,774	4,052	5,001	5,265	7,662
Russian	283	619	608	551	645	1,179
Spanish	143	313	636	1,276	1,327	2,709
Swedish	450	685	1,509	1,576	1,994	3,597
Others	126	114	116	345	337	1,046
Total Foreign	10,774	11,568	17,387	20,311	21,847	35,813
TOTAL	24,689	36,640	58,736	74,284	80,539	98,524

* In addition to this total, the tonnage of British vessels employed by the Government in 1900 for the conveyance of troops to South Africa was 1,572,000.

Shipping engaged in the Direct Trade between United Kingdom and United States.

	1860.	1870.	1880.	1890.	1895.	1900.
	Tons (thousands).	Tons (thousands).	Tons (thousands).	Tons (thousands).	Tons (thousands).	Tons (thousands).
British	946	2,626	6,939	7,885	8,001	10,162
United States	2,245	827	613	247	613	541
Others	166	287	1,442	763	658	1,035
Total	3,357	3,740	8,994	8,895	9,272	11,738

SHIPS BELONGING TO THE BRITISH ISLES.

	Sailing and Steam.	Steam only.
	Tons.	Tons.
1860	4,659,000	454,000
1870	5,691,000	1,113,000
1880	6,575,000	2,723,000
1890	7,979,000	5,043,000
1895	8,988,000	6,122,000
1900	**9,304,000**	**7,208,000**

Principal Ports of the United Kingdom.

The following tables show the relative importance of the principal harbours of the United Kingdom from the point of view of total shipping entered and cleared.

The shipping figures represent the tonnage of all vessels entering and clearing at each port, including vessels engaged in the coasting trade and vessels in ballast. The last two columns give the money value of the trade conducted between each port and places outside the United Kingdom.

The figures relate to the year 1900.

Shipping at Principal Ports (Including Coasters).

England and Wales. Year 1900.	Shipping: Entered and Cleared.	Imports.	Exports.
	Tons (thousands).	£ (thousands).	£ (thousands).
London	30,500	175,901	91,503
Cardiff	18,812	4,180	13,619
Liverpool	18,474	124,713	102,573
Newcastle and North and South Shields	16,594	10,109	11,995
Hull	6,732	31,169	22,450
Southampton	5,523	13,811	12,180
Sunderland	5,013	695	2,320
Cowes	4,650	16	4
Newport	4,345	1,126	3,357
Swansea	4,039	4,682	5,952
Portsmouth	3,652	222	121
Blyth	3,528	36	2,484
Middlesbrough	3,443	1,654	6,518
Bristol	2,855	11,406	1,323
Beaumaris	2,786	84	10
Manchester (exclusive of Runcorn)	2,480	15,720	7,797
Grimsby	2,386	7,957	11,008
Dover	2,270	8,451	2,660
Hartlepool	1,877	2,005	1,491
Goole	1,853	5,442	6,847
Harwich	1,771	16,233	5,041
Plymouth	1,718	1,573	196
Maryport	1,286	407	540
Barrow	1,222	648	395
Fleetwood	1,079	879	15
Newhaven	1,004	10,389	3,059
Gloucester	942	2,401	93
Folkestone	939	13,623	1,781
Rochester	757	192	2
Falmouth	721	184	219
Ipswich	707	541	28
Milford	538	10	3
Fowey	525	32	217
Runcorn	522	441	27
Stockton	498	280	435

England and Wales. Year 1900.	Shipping: Entered and Cleared.	Imports.	Exports.
	Tons (thousands).	£ (thousands).	£ (thousands).
Ramsgate	458	29	1
Lynn	452	1,142	130
Penzance	451	54	17
Yarmouth	443	351	210
Whitehaven	417	130	188
Weymouth	396	518	328
Llanelly	379	30	166
Barnstaple	371	8	—
Teignmouth	342	69	21
Boston	328	921	246
Bridgwater	323	105	6
Poole	315	119	12
Preston	304	447	15
Chester	300	51	7
Dartmouth	281	8	2
Lancaster	255	33	1
Carmarthen	254	20	118
Carlisle	235	89	—
Lowestoft	226	149	151
Whitby	218	2	80
Shoreham	217	127	24
Exeter	140	110	3
Scarborough	119	5	—
Wisbeach	98	223	3
Faversham	84	26	6
Colchester	73	36	—
Berwick	67	80	21
Littlehampton	66	50	3
Aberystwith	50	11	2
Padstow	49	3	—
Scilly	36	—	—
Cardigan	27	1	—
Truro	—	68	70
Workington	—	127	63
Total England and Wales	**163,815**	**472,354**	**320,157**

Scotland. Year 1900.	Shipping: Entered and Cleared.	Imports.	Exports.
	Tons (thousands).	£ (thousands).	£ (thousands).
Glasgow	7,461	14,027	18,483
Greenock	3,976	1,330	1,085
Leith	3,401	12,932	5,298
Kirkcaldy	2,717	280	1,679
Grangemouth	2,324	2,713	2,860
Aberdeen	1,829	992	103
Ardrossan	1,317	471	201
Dundee	929	3,845	1,038
Inverness	874	72	32
Borrowstones	862	313	494
Ayr	676	170	30
Stornoway	509	9	104
Granton	480	719	351
Troon	478	120	130
Kirkwall	449	4	6
Alloa	391	218	207
Stranraer	353	4	—
Lerwick	267	22	450
Wick	224	36	65
Campbeltown	175	23	—
Irvine	166	28	20
Montrose	96	173	19
Peterhead	95	30	56
Fraserburgh	90	23	139
Banff	69	10	50
Dumfries	43	8	—
Arbroath	34	85	5
Wigtown	24	—	—
Perth	—	33	—
TOTAL SCOTLAND	30,309	38,691	32,905

IRELAND. Year 1900.	Shipping: Entered and Cleared.	Imports.	Exports.
	Tons (thousands).	£ (thousands).	£ (thousands).
Dublin - - - -	4,917	2,646	41
Belfast - - - -	4,839	6,071	1,204
Cork - - - - -	1,275	1,106	8
Waterford - - - -	985	365	18
Londonderry - - -	608	330	34
Newry - - - -	410	14	3
Limerick - - - -	325	868	4
Drogheda - - - -	238	8	—
Sligo - - - - -	225	257	—
Dundalk - - - -	194	18	—
Wexford - - - -	149	6	—
Coleraine - - - -	117	1	—
Tralee - - - -	115	162	—
Skibbereen - - - -	98	8	—
Westport - - - -	82	45	—
Galway - - - -	77	110	—
TOTAL IRELAND - -	**14,654**	**12,015**	**1,312**
Isle of Man - - -	1,414	15	—
TOTAL UNITED KINGDOM -	**210,192**	**523,075**	**354,374**

CHAPTER X.

BANKING AND CURRENCY.

THE industry of banking plays a very important part in the development of British commerce and of the general wealth of the country. Not only is there throughout the United Kingdom a highly organized system of banking for local needs, but in addition London is the banking centre of the whole world for international transactions. With regard to the first point, it is safe to say that, with the possible exception of the United States and of some British colonies, there is no country where banking conveniences are so great as in the United Kingdom. In France, for example, it is still the practice for people to keep in their homes, or to carry about with them, large sums in gold or notes. In England even persons of extremely moderate means have a banking account and discharge most of their payments by cheques. These cheques are rapidly and economically dealt with by means of clearing houses. In every important provincial town there is a local clearing-house for the daily adjustment of accounts between the bankers in that town. In London there is a general clearing-house for all London and provincial bankers, who are represented in the Clearing-House either by themselves or by agents. The statistics of the London Clearing-House thus give a very fair index of the commercial activity of the kingdom. It will be seen that the figures given on p. 77 bear out the conclusion indicated by the returns of imports and exports —namely, that trade waned from 1891 to 1894, and waxed again from 1895 to 1900.

LONDON BANKERS' CLEARING-HOUSE.

Year ending December 31	Amount Cleared.
	£ (millions).
1891 - - -	6,848
1892 - - -	6,482
1893 - - -	6,478
1894 - - -	6,337
1895 - - -	7,593
1896 - - -	7,575
1897 - - -	7,491
1898 - - -	8,097
1899 - - -	9,150
1900 - - -	8,960

Bank Deposits.

The above figures, showing the amount passed through the London Clearing-House, indicate the activity of the general business of the country, national and international. In addition, it is possible to obtain from banking records some measure of the amount of solid credit available at any moment for the transaction of business. The phrase 'solid credit' is here used for want of a better to denote a form of credit which is as good as cash. With a few exceptions—so rare that they may be neglected—a bank balance standing to the credit of any individual can be instantaneously converted into gold. The necessity for such conversion very rarely occurs. These solid credits are in practice more usefully employed for conversion and re-conversion into various commodities or services. They constitute, in fact, the effective ready-money currency of the United Kingdom, and their value depends not merely upon their convertibility into gold, but upon the various commodities and services from which they are derived and into which they can be changed. It is this fact which gives so much strength to the currency system of the United Kingdom. That system does not rest, as has been sometimes stated, like an inverted pyramid upon a minute apex of gold coin. The pyramid is the right way up, and its broad base reposes upon a still broader foundation composed of the totality of existing commodities and available services at the command of those who own these solid credits. A cheque is an instrument for passing portions of these solid

credits from hand to hand. It is legally defined as a bill of exchange drawn upon a banker, and must be cashed at sight. Thus a cheque drawn by an honourable person upon a solvent banker has all the essential qualities of ready money. In practice, however, much of the trade of the United Kingdom, as of all countries, is conducted upon a basis of deferred payments by means of bills of exchange, or by ledger entries. Cheques are only needed to adjust balances, or in cases where cash payment is required. Thus the transactions of the London and of provincial clearing-houses represent only a small part of the exchanges effected in the course of a year, and in the same way the banking deposits represent only a small fraction of the total wealth of the kingdom.

With this explanation the following figures, which are copied by kind permission from the columns of the *Economist*, may here be given :

DEPOSITS IN JOINT-STOCK BANKS.

Date.	Bank of England.	Other Joint-Stock Banks.		
		England.	Scotland.	Ireland.
	£ (millions).	£ (millions).	£ (millions).	£ (millions).
October 22, 1892 - -	39	435	93	40
,, 21, 1893 - -	40	433	92	41
,, 20, 1894 - -	43	445	92	42
,, 19, 1895 - -	46	485	94	44
,, 17, 1896 - -	65	565	94	46
,, 23, 1897 - -	57	565	96	46
,, 22, 1898 - -	56	597	97	46
,, 21, 1899 - -	54	625	99	47
,, 20, 1900 - -	49	620	104	48
,, **19, 1901** - -	**53**	**634**	**107**	**48**

In comparing the successive years in the above table, it is necessary to bear in mind the fact that during the period under review several private banks have been converted into or absorbed into joint stock banks, and so far as this factor operates part of the increase shown represents only a transference from one type of bank to another, and not a net addition to the total banking deposits of the kingdom. It is for this reason that the totals for the whole kingdom have not been shown, as they might emphasize a mislead-

ing impression. The *Economist* prepares, however, every year an estimate of the amount of deposits in the hands of private bankers, as well as of those deposited with public or joint-stock banks. The estimate is as follows :

DEPOSITS : JOINT-STOCK AND PRIVATE BANKS.

DATE.	ESTIMATED TOTAL. £ (millions).
July, 1892	690 to 700.
June, 1893	670 „ 680.
June, 1894	680 „ 690.
June, 1895	730 „ 740.
July, 1896	780 „ 790.
July, 1897	780 „ 790.
July, 1898	800 „ 810.
July, 1899	840 „ 850.
July, 1900	830 „ 840.
July, 1901	840 „ 850.

The development of banking in the United Kingdom during the decade ending 1891 is to some extent indicated by the increase in the number of persons engaged in banking in 1891 as compared with 1881.

PERSONS OVER TWENTY ENGAGED IN BANKING.

	1881.	1891.
England and Wales	13,978	17,609
Scotland	2,947	3,334
Ireland	2,104	2,147
UNITED KINGDOM	19,029	23,090

Legal Tender Currency.

In addition to the vast volume of ready-money business transacted in the United Kingdom by means of cheques based on bank deposits there is also a considerable use of legal tender currency. The basis of the legal tender currency of the United Kingdom is the gold sovereign, containing 123·274 grains (7·988 grams) of standard gold eleven-twelfths fine. Sovereigns and half-sovereigns

are of unlimited legal tender throughout the United Kingdom. They are also legal tender in many British Colonies, and are readily accepted at their intrinsic value in most civilized countries. The notes issued by the Bank of England are legal tender in England and Wales, and are readily accepted in Scotland and Ireland, and also in most British Colonies and foreign countries. They cannot, however, be used as legal tender by the Bank of England itself, for the bank is bound by its charter to pay gold for notes upon demand. The bank is further bound not to permit the issue of notes to exceed, by more than a fixed margin of £15,000,000, the reserve of coin or bullion available for meeting possible demands. This margin is covered by Government securities held by the bank. In the case of a financial panic, the executive Government has power to temporarily suspend this portion of the Bank Charter Act, and to permit an enlarged issue of notes. In other words, on occasions when the voluntary currency of the country is dangerously diminished by panic withdrawals of bank deposits, the Government steps in and authorizes the creation of additional legal tender currency.

The last occasion when this power was exercised was on the failure of Overend and Gurney in 1866. The Bank of England was then authorized to issue as many additional notes as might be required to stay the panic, charging to its customers discount at the rate of 10 per cent. for the accommodation, and handing over to the Government all the profit of the transaction after a 'fair deduction for its own risk, expense and trouble.'

The subsidiary coins in use in the United Kingdom for small transactions are of silver and bronze. They derive their value entirely from their legal relationship to the sovereign. Silver coins are only legal tender up to forty shillings in value, and bronze only up to twelve pence.

Savings Bank Deposits.

It is convenient to include under the head of banking, savings banks, although, as their name implies, they are used rather for the custody of the small savings of persons of moderate means than for the ordinary business of banking. The earlier savings banks of the United Kingdom were under the control of trustees, who from philanthropic motives gave their time to the work of management. This useful agency has since been supplemented by the Post Office

Savings Bank. The latter is one bank under the control of the Postmaster-General, with an office in every principal post office in the United Kingdom, and in many sub-offices. The Post Office Bank offers important advantages as compared with the Trustee Banks, the security being more complete and the process of making or withdrawing deposits easier. For these reasons there is a steady transference of deposits from Trustee Banks to the Post Office Bank, and in some cases Trustee Banks have been wound up entirely, and their customers transferred in a body to the Post Office Bank. Nevertheless, the Trustee Banks continue to obtain fresh deposits, so that there is no absolute decline in their position, but a slight upward growth. At the end of the year 1900 the deposits in Trustee Banks amounted to £51,455,000, as against £135,550,000 in the Post Office Bank. It will be sufficient for previous years to give the totals jointly:

DEPOSITS IN POST OFFICE AND TRUSTEE BANKS.

Year.	Amount.
	£
1891	114,000,000
1892	118,000,000
1893	123,000,000
1894	133,000,000
1895	143,000,000
1886	155,000,000
1897	164,000,000
1898	173,000,000
1899	182,000,000
1900	**187,000,000**

The rapid increase shown in the above table is partly due to the increased wealth of the working classes and the concurrent growth of the habit of saving, and partly to the growing popularity of the Post Office Bank with more prosperous persons as a place for the temporary deposit of small sums.

Foreign Banks with London Offices.

The following list of foreign banks having offices in London gives some idea of the international character of London banking. All

the addresses given are in the E.C. or City postal district except where otherwise stated.

Arabia.

Luke Thomas and Co., Aden ...	138, Leadenhall Street.

Argentine.

Anglo-Argentine Bank	14, Austin Friars.
London and River Plate Bank ...	7, Princes Street.

Australia.

Australian Joint Stock Bank ...	2, King William Street.
Bank of Adelaide	11, Leadenhall Street.
Bank of New South Wales	64, Old Broad Street.
Bank of Victoria	28, Clement's Lane.
Chartd. Bk. India, Australia & China	Hatton Ct., Threadneedle St.
Commercial Banking Co. of Sydney	18, Birchin Lane.
English, Scottish, and Australian Bank	38, Lombard Street.
London Bank of Australia, Ltd. ...	2, Old Broad Street.
National Bank of Australasia ...	123, Bishopsgate St. Within.
Queensland National Bank	8, Princes Street
Royal Bank of Queensland	25, Abchurch Lane.
Union Bank of Australia	71, Cornhill.

Austria-Hungary.

Anglo-Austrian Bank	31, Lombard St.

Bolivia.

Chalmers, Guthrie and Co.	9, Idol Lane.

Brazil.

London and Brazilian Bank	7, Tokenhouse Yard.

Canada.

Bank of British North America ...	5, Gracechurch Street.
Bank of Montreal	22, Abchurch Lane.

Chili.

Bank of Tarapaca and London ...	123, Bishopsgate St. Within.

China.

Bank of China and Japan	36, Nicholas Lane.
Chartd. Bk. India, Australia & China	Hatton Ct., Threadneedle St.
Hongkong & Shanghai Bkg. Corporation	31, Lombard Street.
National Bank of China	61, Old Broad Street.

Egypt.	
Anglo-Egyptian Bank	27, Clement's Lane.
Bank of Egypt	26, Old Broad Street.
National Bank of Egypt	92, Cannon Street.
France.	
Banque Continentale de Paris ...	16, St. Helen's Place.
Banque Française de l'Afrique du Sud	Salisbury Hse., Finsbury Cir.
Comptr. Nationale d'Escompte de Paris	52, Threadneedle Street.
Crédit Lyonnais	40, Lombard Street. 4, Cockspur Street, S.W.
London, Paris, and American Bank ...	40, Threadneedle Street.
Société Générale pour Favoriser le Développement du Commerce et de l'Industrie en France	53, Old Broad Street.
Société Générale de Crédit Industriel et Commercial	126, Cannon Street.
Germany.	
Deutsche Bank	4, George Yd., Lombard St.
Direction der Disconto-Gesellschaft ...	5, Fenchurch Street.
Dresdner Bank	65, Old Broad Street.
German Bank of London	34, Old Broad Street.
Lazard, Speyer-Ellissen (Frankfort) ...	Speyer Bros., 7, Lothbury.
Greece.	
Ionian Bank	44, Palmerston Buildings, Bishopsgate Street.
Guatemala.	
Chalmers, Guthrie and Co.	9, Idol Lane.
Honduras.	
Honduras Govt. Banking & Trading Co.	13 and 14, Abchurch Lane.
India.	
Chartd. Bk. India, Australia, & China	Hatton Ct., Threadneedle St.
Commercial Bank of India	12, King William St.
Delhi and London Bank	123, Bishopsgate St. Within.
Mercantile Bank of India	40, Threadneedle St.
National Bank of India, Ltd. ...	47, Threadneedle St.
Parry and Co. (Madras)	70, Gracechurch Street.
William Watson and Co. (Bombay and Calcutta)	7, Waterloo Place, S.W.

Italy.

Anglo-Italian Bank	9, St. Helen's Place.

Japan.

Bank of China and Japan	36, Nicholas Lane.
Yokohama Specie Bank, Ltd. ...	120, Bishopsgate St. Within.

Madeira.

Cassart, Gordon, and Co. (Funchal)	75, Mark Lane.

Mauritius.

Bank of Mauritius	10, George Yd., Lombard St.

Mexico.

London Bank of Mexico and South America, Ltd.	94, Gracechurch Street.

New Zealand.

Bank of New Zealand	1, Queen Victoria Street.
National Bank of New Zealand, Ltd.	15, Moorgate Street.

Persia.

Imperial Bank of Persia	25, Abchurch Lane.

Roumania.

Bank of Roumania	7, Great Winchester Street.

Russia.

Russian Bank (for foreign trade) ...	61 & 62, Gracechurch St.

San Salvador.

London Bank of Central America, Ltd. (branches in Nicaragua and San Salvador)	72, Bishopsgate St. Within.

South Africa.

African Banking Corporation, Ltd. ...	43-46, Threadneedle St.
Bank of Africa, Ltd.	113, Cannon Street.
Natal Bank, Ltd.	18, St. Swithin's Lane.
National Bank S. African Republic	73, Cornhill.
Robinson South African Banking Co.	1, Bank Buildings, Lothbury.
Standard Bank of South Africa, Ltd.	10, Clement's Lane.
William Watson and Co. (Cape Town)	7, Waterloo Place, S.W.

South America.

British Bank of South America, Ltd.	2A, Moorgate Street.

Switzerland.

Swiss Bankverein	40, Threadneedle St.

Turkey.

Imperial Ottoman Bank	26, Throgmorton Street.

United States.

Anglo-American Bank	6, Duncannon Street, W.C.
Anglo-Californian Bank	18, Austin Friars.
Guaranty Trust Co. of New York ...	33, Lombard Street. 60, St. James Street, S.W.
London and San Francisco Bank ...	71, Lombard Street.
London, Paris, and American Bank ...	40, Threadneedle St.
Speyer and Co. (New York)	7, Lothbury.

West Africa.

Bank of British West Africa, Ltd. ...	4, St. Mary Axe.

West Indies.

Colonial Bank	10, Bishopsgate St. Within.

CHAPTER XI.

MEANS OF COMMUNICATION.

Roads.

In nearly every part of the United Kingdom there are excellent macadamized roads, having generally a fairly good surface, even in the case of by-roads. The gradients, on the other hand, have not, as a rule, received as much attention as is desirable, and in hilly districts the roads are often unnecessarily steep. In this respect British roads contrast rather badly with French roads, which are admirably engineered, so as to avoid steep inclines and sharp curves.

Railways.

The construction of railways in the United Kingdom preceded by several years the invention of the steam locomotive. As early as the very first year of the nineteenth century iron railroads for the conveyance of minerals were constructed in several parts of the country, horses being employed to draw the wagons. The introduction of the steam locomotive was received with mixed feelings. Many people were afraid that its advent would injuriously affect their interests, and several towns petitioned Parliament against projects for constructing railways to pass through or near the town. This opposition involved in some cases a diversion of the proposed route to one that was less generally advantageous. In addition, the earlier railway schemes were hampered by the opposition of land-owners whose influence in Parliament gave them special facilities for making that opposition effective. These opposing land-owners were generally bought off by the payment of an extravagant price for their land. Finally, the legal costs involved in fighting a Railway Bill before Parliament were, and still are, extremely high, amount-

ing in some cases to almost as much as the total cost of building a railway in a new country. From these causes the capital account of British railways was from the outset burdened with very heavy charges, which in no way add to the earning capacity of the railway. It is further alleged that many of the requirements insisted upon by the Board of Trade for the safety of passengers and employees go beyond the necessities of the case, and involve the companies in expenditure for which the public gets no real return. These are factors which must be taken into account in comparing British with foreign, and especially with American, railways.

The tables below give a summary statement of the mileage, capital, and traffic of all the railways in the United Kingdom.

In examining the tables it will be noticed that there was a decline in goods traffic in the years 1892, 1893, corresponding with the decline in external trade during the same period. Passenger receipts, on the other hand, have increased without a break. The working expenses have, however, increased even more rapidly than the receipts, as will be seen from the column showing the proportion of working expenses to gross receipts. This increase is partly due to the improved conveniences offered to passengers, and partly to the steady increase in the cost of labour, owing both to higher wages and reduced hours. In the years 1899 and 1900 a further very important cause of increased working expenditure appeared in the shape of dear coal.

With regard to the column showing capital, it is important to notice that part of the capital is fictitious or 'watered.' The amount so classified by the Board of Trade in the year 1900 is as follows:—

Amount of 'Watered' Capital.

England and Wales - -	£142,497,000
Scotland - - -	43,976,000
Ireland - - -	396,000
United Kingdom - -	£186,869,000

Deducting this from the figures given on p. 88, the real capital of the railways of the United Kingdom works out at about £988,000,000.

RAILWAYS OF THE UNITED KINGDOM.

Year ending December 31.	Length of Line open.	Paid-up Capital.	Gross Receipts.	Working Expenses.	Proportion of Working Expenses and Gross Receipts.
	Miles.	£ (millions)	£ (millions)	£ (millions)	Per Cent.
1891	20,191	919·4	81·8	45·1	55
1892	20,325	944·3	82·1	45·7	56
1893	20,646	971·3	80·6	45·7	57
1894	20,908	985·4	84·3	47·2	56
1895	21,174	1,001·1	85·9	47·9	56
1896	21,277	1,029·5	90·1	50·2	56
1897	21,433	1,089·8	93·7	53·0	57
1898	21,659	1,134·5	96·2	55·9	58
1899	21,700	1,152·3	101·6	60·0	59
1900	**21,855**	**1,176·0**	**104·8**	**64·7**	**62**

DETAILS OF TRAFFIC RECEIPTS.

Year ending December 31.	Gross Receipts.			Net Receipts—i.e., Gross Receipts less Working Expenses.	Traffic Receipts per Mile.
	From Traffic.		Miscellaneous Receipts.		
	Passengers.	Goods.			
	£ (millions).	£ (millions).	£ (millions).	£ (millions).	£
1891	35·1	43·2	3·5	36·7	3,881
1892	35·7	42·9	3·5	36·4	3,864
1893	35·8	41·0	3·8	34·9	3,722
1894	36·5	43·4	4·4	37·1	3,820
1895	37·4	44·0	4·5	38·0	3,844
1896	39·1	46·2	4·8	39·9	4,009
1897	40·5	47·8	5·4	40·7	4,123
1898	41·8	49·2	5·2	40·3	4,205
1899	43·7	52·1	5·8	41·6	4,417
1900	**45·4**	**53·5**	**5·9**	**40·1**	**4,523**

Information with regard to the more important separate railway companies is given in the following table. The figures for capital include 'watered' as well as real capital.

Principal Railway Companies.

Returns of Capital and Traffic for the Year 1900.

Name of Company.	Total Paid up Capital.	Length of Lines.	Gross Receipts.	
			Passengers.	Goods.
England and Wales.	£ (thousands).	Miles.	£ (thousands).	£ (thousands).
Barry	5,200	53	44	223
Cambrian	6,400	252	171	148
Cheshire Lines Committee	See Note at end.	140	401	575
Furness	7,500	134	130	373
Great Central	43,000	494	877	2,124
Great Eastern	55,600	1,110	2,968	2,198
Great Northern	58,500	825	2,181	3,033
Great Western	92,600	2,627	5,165	5,698
Hull and Barnsley	7,700	77	30	351
Lancashire and Yorkshire	64,400	556	2,299	2,984
London and North-Western	123,000	1,937	6,002	7,637
London and South-Western	47,400	898	3,039	1,356
London, Brighton and South Coast	26,000	448	2,258	785
London, Tilbury and Southend	3,600	79	270	106
Metropolitan	15,600	73	735	119
Metropolitan District	9,060	19	410	5
Midland	174,900	1,437	3,498	7,600
North-Eastern	73,400	1,654	2,897	6,080
North Staffordshire	10,200	193	268	557
Somerset and Dorset	2,500	101	80	112
South-Eastern and Chatham	58,300	609	3,167	1,087
Taff Vale	10,000	124	177	575
Other Railways	75,288	1,347	1,567	1,614
Total England and Wales	970,148	15,187	38,634	45,340

Cheshire Lines Committee.—These lines are the joint property of the Great Central, Great Northern and Midland Railway Companies. The capital is included in the returns of those Companies.

PRINCIPAL RAILWAY COMPANIES—*continued.*

Name of Company.	Total Paid up Capital.	Length of Lines.	Gross Receipts.	
			Passengers.	Goods.
SCOTLAND.	£ (thousands).	Miles.	£ (thousands).	£ (thousands).
Caledonian	65,304	939	1,733	2,528
Glasgow and South-Western	22,289	399	707	921
Glasgow District Subway	1,428	7	67	—
Great North of Scotland	7,103	331	242	218
Highland	6,574	485	316	176
North British	61,977	1,242	1,615	2,567
Port Patrick and Wigtownshire Joint Committee	518	82	35	22
TOTAL SCOTLAND	165,193	3,485	4,715	6,432
IRELAND.				
Belfast and County Down	1,244	76	101	36
Belfast and Northern Counties	3,061	249	169	146
Cork Bandon and South Coast	1,037	94	39	41
Donegal	312	90	14	13
Dublin, Wicklow, and Wexford	3,358	144	197	71
Great Northern of Ireland	7,818	528	502	398
Great Southern and Western of Ireland	9,912	730	540	489
Midland Great Western of Ireland	6,501	538	271	303
Waterford, Limerick, and Western	3,718	342	111	134
Other lines	2,805	392	91	68
TOTAL IRELAND	39,766	3,183	2,035	1,699
TOTAL UNITED KINGDOM	1,175,107*	21,855	45,384	53,471

* The slight discrepancy between this figure and the figure given on p. 87 is due to the non-inclusion of several Scotch railways which have ceased working.

Tramways.

Tramways, though they had their origin in the United Kingdom, have not been so rapidly developed as in other countries, and are still regarded with some prejudice by certain sections of the community. It is possible also that their development has been checked by the Tramways Act of 1870, which placed various obstacles in their way in the supposed interests of the general public. The same Act enabled the local authorities to buy out tramway companies at cost price at the end of twenty-one years from the laying of the line. There is good reason to believe that this provision has greatly hindered the application of electricity to British tramways. That application is now proceeding rapidly, but for the most part only on lines that have already been acquired by municipal bodies.

The figures show a satisfactory increase in the net receipts and in the gross receipts per mile of line open.

TRAMWAYS OF THE UNITED KINGDOM.

Year ending December 31st.	Length of Line open.	Paid up Capital.	Number of Passengers.	Gross Receipts.		Net receipts.
				Aggregate.	Per mile.	
	Miles.	£ (thousands).	Millions.	£ (thousands).	£	£ (thousands).
1891 - - -	963	13,596	566	3,430	3·6	799
1892 - - -	946	13,571	582	3,531	3·7	678
1893 - - -	960	13,708	598	3,606	3·8	769
1894 - - -	975	14,113	*	*	*	*
1895 - - -	982	14,112	662	3,734	3·8	855
1896 - - -	1,009	14,157	759	4,152	4·1	1,046
1897 - - -	1,031	14,783	789	4,236	4·1	1,037
1898 - - -	1,064	15,920	858	4,560	4·3	1,052
1899 - - -	1,122	18,053	955	4,880	4·3	1,204
1900 - - -	1,177	19,583	1,065	5,446	4·6	1,370

* Complete figures for this year have not been returned.

Canals and Navigable Rivers.

In the eighteenth century and early years of the nineteenth a large amount of capital and of engineering skill was devoted to the construction of canals and to improving the navigation of rivers. With the advent of railways the development of waterways ceased, and many of the lines that had been constructed at considerable cost were allowed to fall into disrepair. This was partly due to a

general belief that the day for canals had gone by, and partly to the mistake made by Parliament in permitting the railway companies to acquire control over canals.

The official returns of canal capital and traffic are only published at intervals of ten years, and are by no means satisfactory, several of the companies having failed to make full return of their capital. The total capital returned in 1898 was £39,000,000; but this figure furnishes no guide to the actual capital which has been invested in canals. It only represents the capital of some of the present proprietors of canal undertakings, and does not include any of the canals that have passed under the control of railway companies.

For this reason the returns of capital are omitted from the following table. The previous return was made in 1888, but there are several changes in the form of return which would make the comparison between the two years misleading.

CANALS AND NAVIGATIONS IN 1898.

	Length in Miles.	Total Revenue.	Total Expenditure.	Proportion of Expenditure to Revenue.	Expenditure per Mile.	Profit per Mile.
(*a*) Not belonging to Railway Companies.		£ (thousands).	£ (thousands).	Per cent.	£	£
England and Wales	2,208	1,895	1,322	70	858	259
Scotland - -	69	15	13	91	211	19
Ireland - - -	491	108	85	78	220	48
UNITED KINGDOM	2,768	2,018	1,420	70	729	216
(*b*) Belonging to Railway Companies.						
England and Wales	959	331	309	93	345	23
Scotland - -	83	52	29	55	625	281
Ireland - - -	96	7	6	94	68	4
UNITED KINGDOM	1,138	390	344	88	342	40
TOTAL UNITED KINGDOM -	3,906	2,408	1,764	73	616	165

It will be noticed in the above table that the proportion of expenditure to revenue is extremely high as compared with railways, and that it is much higher in the case of canals owned by railway companies than in the case of independent canals. There is

an apparent exception to this second conclusion in the case of Scotland, but the explanation is simple. The railway-owned canals in Scotland—the Forth and Clyde, the Monkland, and the Edinburgh and Glasgow—run through the busiest mineral and manufacturing districts; the independent Scotch canals—the Caledonian and the Crinan—run through thinly populated districts in the Highlands.

On most of the canals in the United Kingdom the proprietors do not act as carriers, they merely levy tolls on the traffic conveyed by other persons. There are, however, some companies—notably the Aire and Calder, the Leeds and Liverpool, and the Grand Canal Company of Ireland—which provide a service and secure a very substantial profit upon it. Most of the smaller companies which provide a service appear to lose upon it. The total length of canals upon which a service is provided is 733 miles, and of this length nearly half is contributed by the three companies just mentioned.

CHAPTER XII.

THE POST OFFICE.

ONE of the most important factors in the commercial activity of a country is the efficiency of the post office. The Government of the United Kingdom led the way in introducing, in the year 1840, a uniform charge for carrying letters within the kingdom, regardless of distance, and the charge was wisely fixed at the low figure of a penny per ½ oz. weight. The subsequent developments of the British post office have been primarily concerned with the improvement of the letter-carrying service. All the minor services are treated as subordinate to this. In consequence of this policy all parts of the kingdom enjoy the advantage of a regular and fairly frequent delivery of letters at a very moderate charge. In London and other large towns letters are delivered from door to door every two or three hours, and in specially busy quarters even more frequently. As a result of this admirable letter service, the need for supplementary means of communication, such as the telephone, has been less acutely felt than would otherwise have been the case.

By recent reforms the charge for letters has been reduced to a penny for every 4 oz., and a halfpenny for each succeeding 2 oz. Postcards are carried within the kingdom for a halfpenny each, plus the cost of the card. Newspapers are also carried for a halfpenny, whatever their weight may be. Packets of other printed matter, weighing less than 2 oz., are carried for a halfpenny, provided the ends of the packet are left open. Above 2 oz. the scale for miscellaneous printed matter is the same as the scale for letters.

All circulars, pamphlets, book-packets, etc., weighing more than 2 oz. may therefore, without extra charge, be enclosed in sealed envelopes as if they were letters, and will be treated as letters.

Parcel Post.

There is a special post for the carriage of parcels. The scale is 3d. for the first lb., and a 1d. for each succeeding lb. up to 9 lb., so that the charge for 9 lb. is 11d. Between 9 lb. and 11 lb. the charge is a shilling. No packages weighing more than 11 lb. are accepted by parcel post.

Parcel post is not, like letter post, a Government monopoly, and there are numerous private agencies in the United Kingdom for carrying parcels. In some cases the rates charged by these agencies are lower than those charged by the post office, but the latter service has the advantage of offering to the public a uniform charge to all parts of the kingdom.

Parcels weighing less than 12 oz. should be sent by letter post. The charge is either the same as, or less than, the charge by parcel post, and the service is more rapid.

Express Delivery.

For letters requiring still more rapid delivery than that provided by the ordinary service, an Express Delivery service has recently been instituted, and is used largely in London and other important towns. Telegraph messenger boys are employed to carry these letters, and a messenger is sent off with each letter directly it is handed in at a post-office. The charge is 3d. a mile, regardless of weight, and 1½d. for a reply message. This service is in many cases more rapid, as well as cheaper and more convenient, than the telegraph service. For any distance under a mile an express letter will be delivered more quickly than a telegram; the charge is only 3d., as compared with a minimum charge of 6d. for telegrams, and the message may be of unlimited length. It is generally advantageous to employ express messages instead of telegrams up to a distance of two miles.

The express delivery service also contrasts favourably with the parcel post for heavy parcels which have to be conveyed a short distance. When a public conveyance is available the limit of weight of a parcel that may be sent by express messenger is 20 lb., as compared with 11 lb. by parcel post. The charge of 3d. a mile includes the cost of public conveyance, so that a 10-lb. parcel, which would cost 1s. by parcel post, would, if sent by express post, cost only 9d. for a three miles' journey, and would travel much more

rapidly, and would require less careful packing. If no public conveyance is available, and the sender does not wish to pay for a special conveyance, the limit of weight is 15 lb. for distances under two miles, and 5 lb. if the distance is more than two miles. A foot messenger will in no case be sent a longer distance than three miles. If the sender is willing to pay for a cab or other special conveyance he can send a messenger any distance in charge of a parcel of any weight for a uniform fee of 3d. a mile, in addition to the actual cost of the conveyance.

Express messengers may also be used to conduct persons or live animals to any address upon payment of the mileage fee.

Express after Posting.

The Express Delivery system is also applicable to letters that have travelled by the ordinary post from the post office (or from a pillar-box) to another post office. Such letters must be clearly and boldly marked, and must bear, in addition to the ordinary postage, stamps to cover the express fee of 3d. a mile, calculated from the post office of destination to the residence of the addressee. The letter, upon arrival at the post office of destination, will at once be sent out by express messenger in advance of the ordinary delivery of letters. If the prepaid express fee is insufficient the balance will be recovered from the addressee.

Railway Letters.

A further development of the express letter system can be applied to letters sent specially by train from one town to another. The sender in this case has to pay first the ordinary penny postage upon the letter; secondly, the express fee from the post office where he hands in the letter to the railway station of departure; thirdly, a fee of 2d. for the conveyance of the letter by the guard of the train; fourthly, the cost of a telegram to advise the postmaster in the town of destination to have a messenger waiting to receive the letter; fifthly, the express fee from the station of arrival to the residence of the addressee. The list of these charges is somewhat formidable, but in practice the total will only amount to about 1s. 6d. or 1s. 9d.

No railway letter may exceed 4 oz. in weight.

If a sender has several letters to go by one train he may tie them up in a bundle and they will be carried to the station for the express

fee, but the ordinary postage and the railway fee of 2d. must be paid on each. In the same way, if several letters are going to one town, one telegram of advice will serve for all.

The system of railway express delivery can also be worked without a telegram of advice. In that case the letter will, on arrival at the town of destination, be posted by the railway employees in the nearest letter-box. There it will wait till the box is cleared in the ordinary course and the letters sorted. It will then be sent out at once by special messenger; or if the sender has omitted to mark the letter 'Express,' and to prepay an express fee, the letter will be sent out by the ordinary delivery.

In brief, almost every possible combination of the express system with the ordinary postal system and the railway letter system is permitted, and though the printed regulations as set forth in the Postal Guide are quite unintelligible, in practice the working of these systems is extremely simple and free of formality.

Foreign and Colonial Postage.

The postal rates given above apply to the whole of the British Isles, including the Channel Islands and the Isle of Man. For places outside the British Isles the rates are either regulated by the rules of the Postal Union or by the recent arrangements for penny postage within the British Empire. The former arrangement applies to all foreign countries, and to the Commonwealth of Australia, and the territories of Bechuanaland and Rhodesia. The latter arrangement applies to all British possessions except those just specified. The Postal Union rate for letters is 2½d. per half-ounce. The imperial rate is 1d. per half-ounce.

The rate for postcards and the rate for book-packets is the same under the two systems—namely, 1d. for each postcard, including the value of the card, and ½d. per half-ounce for each book-packet.

A parcels post has been established by private agreement between the British Post Office and most foreign and colonial post offices. The rates vary both in proportion to the weight of the parcels and the distance of the places, and many of the regulations are somewhat complicated. Particulars for each case can be ascertained at any post office.

Money Order Service.

In addition to the conveying of letters and parcels, the Post Office also conveys money either in registered letters, containing coin, or preferably by means of orders or drafts by one post office on another office. There are two forms of such orders: first, the money order, which is specific and personal, and secondly, the postal order, which is closely analogous to a banknote, and may pass from hand to hand for its face value. Postal orders, however, will only be cashed by the Post Office when the name of some particular holder has been written upon the face of the order, and he has acknowledged with his signature the receipt.

The rate of commission for inland money orders is 2d. for any sum under £1, 3d. under £3, and 4d. under £10. No single order may exceed £10.

Money orders can also be transmitted by telegraph upon payment of a slightly higher commission—viz., 4d. for a sum under £3, and 6d. under £10, plus the cost of a telegram of advice.

Postal orders are issued for round sums, such as 1s., 1s. 6d., 2s., and the commission charged varies from ½d. for the smaller orders up to 1½d. for an order for 20s. They are on sale in many colonial post offices, as well as throughout the United Kingdom.

Money orders can be sent to numerous colonies and foreign countries, the commission for all places outside the kingdom being 6d. for sums under £2, 1s. under £6, and 1s. 6d. under £10.

The Telegraph Service.

The telegraph service was taken over by the Government in the year 1870, and was placed in charge of the Post Office. It has since been very greatly developed. The tariff is now fixed at a halfpenny a word for all distances within the British Isles, including the Isle of Man and the Channel Islands, with a minimum charge of 6d. The charge includes free delivery within a distance of three miles from the telegraph office, or within the postal limits of the town. Beyond these limits a charge of 3d. a mile is made for porterage, the distance being calculated from the telegraph office. A special rate is allowed for press messages, viz., 1s. for 100 words.

The cost of telegrams, especially in the case of telegrams from abroad, is appreciably diminished by the use of a telegraphic address. The charge for registering such an address is 21s. a year.

Principal Post Office Charges.

LETTER POST.

Inland.	Not exceeding 4 oz.	1d.
	For every additional 2 oz. ...	½d.
Abroad.	To all foreign countries ...	2½d. per ½ oz.
	To Australia, Bechuanaland, Rhodesia	2½d. per ½ oz.
	To all other British Possessions ...	1d. per ½ oz.

BOOK POST.

Inland and Abroad ... ... ½d. per 2 oz.

NEWSPAPERS.

Inland. ½d. for any weight.
Abroad. ½d. per 2 oz.

EXPRESS POST.

3d. per mile for letters and parcels.

TELEGRAMS.

Inland. 6d. for first 12 words.
½d. for each additional word.
Abroad. Varying rates to different countries.

POSTAL ORDERS.

Amount of Order.	Commission.
1s. 0d.	½d.
1s. 6d.	½d.
2s. 0d.	1d.
2s. 6d.	1d.
3s. 0d.	1d.
3s. 6d.	1d.
4s. 0d.	1d.
4s. 6d.	1d.
5s. 0d.	1d.
7s. 6d.	1d.
10s. 0d.	1d.
10s. 6d.	1d.
15s. 0d.	1½d.
20s. 0d.	1½d.

PARCEL POST.

Inland.

Not exceeding	
1 lb.	3d.
2 lbs.	4d.
3 „	5d.
4 „	6d.
5 „	7d.
6 „	8d.
7 „	9d.
8 „	10d.
9 „	11d.
11 „	1s.

Abroad.

Varying rates to different countries.

MONEY ORDERS.

Inland.		Abroad.	
Up to £1	2d.	Up to £2	6d.
Between £1 and £3	3d.	Between £2 and £6	1s. 0d.
„ £2 „ £10	4d.	„ £6 „ £10	1s. 6d.

WORK OF THE POST OFFICE.

The following tables show the progress of work accomplished by the Post Office during the past ten years:

Year ending March 31.	Letters Delivered.		Postcards.	Book-packets and Circulars.	Newspapers.
	Number.	Per Head of Population.			
	Millions.	No.	Millions.	Millions.	Millions.
1892	1,768	46	242	495	163
1893	1,791	47	244	535	163
1894	1,812	47	249	574	165
1895	1,771	46	313	615	152
1896	1,834	47	315	672	149
1897	1,893	48	337	698	151
1898	2,012	50	360	727	151
1899	2,187	54	382	702	154
1900	2,247	55	400	703	163
1901	**2,324**	**57**	**419**	**732**	**168**

Year ending March 31.	Parcels.	Value of Money and Postal Orders.	Number of Telegrams.	Net Revenue of Post Office after deducting Capital Expenditure.	Net Deficit of Telegraphs after allowing for Interest on Capital Borrowed.
	Millions.	£ (thousands).	Millions.	£ (thousands).	£ (thousands).
1892	49	48,993	70	3,588	114
1893	52	50,029	70	3,319	280
1894	54	50,490	71	3,194	327
1895	57	51,682	72	3,258	309
1896	61	53,623	79	3,894	170
1897	64	55,076	79	4,072	163
1898	68	58,129	83	3,923	250
1899	72	60,496	87	4,033	211
1900	75	63,835	90	3,995	233
1901	**81**	**69,256**	**90**	**4,188**	**311**

In the central parts of London telegrams are not transmitted by electric wires, but by pneumatic tubes. The actual piece of paper on which the sender writes his message is blown, viâ the central office, to the office of destination. It is there copied out on to a fresh piece of paper, in order that the post-office may maintain the pretence that the message has been wired, and may continue to charge at the rate of a halfpenny a word.

The rates for telegrams to places outside the United Kingdom vary very widely. To Belgium, France, Germany, and Holland the charge is 2d. a word; to Italy, Austria, Switzerland, Denmark, and Norway, 3d. a word; to Sweden, Servia, Roumania, Spain, Portugal, and Gibraltar, 3½d.; to Algeria and Tunis, 2½d.; to Russia, 5½d.; to Greece and all parts of the Turkish Empire, 6½d.; to most parts of Canada and to the New England States, 1s.; to other parts of Canada and the United States rates varying from 1s. 2d. to over 2s.; to British South Africa, 3s. 6d.; to India, 2s. 6d.; to Australia, 3s. 6d. to 5s. 1d.; to China, 5s. 6d.; Japan, 6s. 2d. to 7s. 9d.

The tables on p. 99 show clearly the principal charges of the British Post Office.

CHAPTER XIII.

WEIGHTS, MEASURES, AND COINS.

THE unit of length in the British system of weights and measures is the *yard*, and the unit of mass or weight is the *pound* avoirdupois. Standards of both these units are carefully preserved by the British Government, and are from time to time compared with authorized copies made from them. The British standards have also been accurately compared with the standards of the metric system and the result of these comparisons has been embodied in an Order in Council of May 19, 1898. The legal definitions laid down by this Order are set out in the following table:

MEASURES OF LENGTH.

A. *Principal Measures.*

An inch =		25·4	millimetres.
A foot =	12 inches =	30·48	centimetres.
A yard =	3 feet =	·914399	metre.
A mile =	1,760 yards =	1609·3	metres.
	=	1·6	kilometres.

B. *Sundry Measures.*

A hand =	4 inches	= 101·6	millimetres.
A link =	7·92 inches	= 201·168	millimetres.
A fathom =	6 feet	= 1·8288	metres.
A rod =	5½ yards	= 5·0292	metres.
A chain =	100 links.		
=	4 rods	= 20·1168	metres.
A furlong =	10 chains	= 201·168	metres.
A knot =	6,080 feet.		
=	1·15 miles	= 1·853	kilometres.

Measures of Surface.

A sq. inch		=	6·4516	sq. centimetres.
A sq. foot	= 144 sq. ins.	=	9·2903	sq. decimetres.
A sq. yard	= 9 sq. feet	=	·836126	sq. metres.
A sq. rod	= 30¼ sq. yards	=	25·293	sq. metres.
A rood	= 40 sq. rods	=	1011·7	sq. metres.
An acre	= 4 roods	=	·40468	hectares.
A sq. mile	= 640 acres	=	259	hectares.

Measures of Volume.

A cub. inch		= 16·387	cub. centims.
A cub. foot	= 1,728 cub. inches	= 28·317	cub. decims.
A cub. yard	= 27 cubic feet	= ·764553	cub. metre.

Measures of Capacity.

A. *Principal Measures.*

A gill		= 1·42	decilitres.
A pint	= 4 gills	= ·568	litre.
A quart	= 2 pints	= 1·136	litres.
A gallon	= 4 quarts	= 4·5459631	litres.
A peck	= 2 gallons	= 9·092	litres.
A bushel	= 8 gallons	= 36·37	litres.
A quarter	= 8 bushels	= 2·909	hectolitres.

B. *Apothecaries' Measures.*

A minim		= ·059	millilitre.
A drachm	= 60 minims	= 3·552	millilitres.
A fluid ounce	= 8 drachms	= ·284123	decilitre.
A pint	= 20 fluid ounces	= ·568	litre.

N.B.—A millilitre is almost exactly equal to a cubic centimetre.

Measures of Mass or Weight.

A. *Principal Weights (Avoirdupois).*

A grain			= ·0648	grams.
An ounce	= 437½ grains	=	28·35	grams.
A pound	= 16 ounces	=	453·59243	grams.
A stone	= 14 pounds	=	6·35	kilos.
A quarter	= 28 pounds	=	12·7	kilos.
A hundredweight	= 112 pounds	=	50·8	kilos.
A ton	= 2,240 pounds	=	1,016	kilos.

B. *Apothecaries' Weights.*

A scruple = 20 grains = 1·296 grams.
A drachm = 3 scruples = 3·888 grams.

C. *Goldsmiths' Weights.*

A pennyweight = 24 grains = 1·5552 grams.
An ounce troy = 480 grains = 31·1035 grams.

ROUGH COMPARISONS.

In addition to the above precise comparisons it is desirable to present a few rough comparisons for the use of persons who wish rapidly to convert a metric statement into its approximate British equivalent, or *vice versâ*.

British into Metric.

An inch = 25 millimetres.	A sq. inch = 6½ sq. centims.
A hand = 10 centimetres.	A sq. foot = 9¼ sq. decims.
A foot = 30 centimetres.	100 sq. yds. = 84 sq. metres.
A yard = 90 centimetres.	An acre = 4,000 sq. metres.
A rod = 5 metres.	
A chain = 20 metres.	A cub. inch = 16 cub. centims.
A furlong = 200 metres.	A cub. foot = 28 cub. decims.
5 miles = 8 kilometres.	A cub. yard = ¾ cub. metre.

A pint = $\frac{9}{16}$ litres.	An oz. avoirdupois = 28 grms.
A quart = 1⅛ litres.	An oz. troy = 31 grms.
A gallon = 4½ litres.	A lb. avoirdupois = 450 grms.
A peck = 9 litres.	A cental (100 lbs.) = 45 kilos.
A bushel = 36 litres.	A hundredweight = 51 kilos.
A quarter = 3 hectolitres.	A ton = 1,016 kilos.

Metric into British.

25 millimetres = 1 inch.	A millilitre = 17 minims.
10 centimetres = 4 inches.	A litre = 1¾ pints.
1 metre = 1 yd. and 3 ins.	A hectolitre = 22 gallons.
8 kilometres = 5 miles.	
	A gram = 15½ grains.
A sq. metre = 11 sq. feet.	A metric pound = 1⅛ lbs.
A hectare = 2½ acres.	A kilogram = 2¼ lbs.
	A metric cwt. = 110 lbs.
A cub. decim. = 61 cub. inches.	100 kilos = 2 cwt.
A cub. metre = 35 cub. feet.	A metric ton = 2,204 lbs.

COINAGE.

The basis of the coinage of the United Kingdom is the gold sovereign, containing 123·274 grains, or 7·988 grams of standard gold, eleven-twelfths fine. The pure gold in a British sovereign consequently weighs 113·002 grains, or 7·3225 grams. The weight and fineness of the sovereign were fixed by Sir Isaac Newton in the year 1717, when he was Master of the Mint, and have remained unaltered since. No charge is made by the Mint for coining sovereigns or half-sovereigns, and these coins therefore represent neither more nor less than the gold they contain. It is thus immaterial whether we say that a sovereign contains 123·274 grains of standard gold, or that a troy ounce of standard gold is worth £3 17s. 10½d. Any person is entitled to present gold to the Royal Mint and demand that it shall be coined into sovereigns, and, if he likes to wait until the coining of his parcel of gold is complete, he is entitled to receive coin for bullion at the exact rate of £3 17s. 10½d. for each troy ounce of standard gold which he presented. In practice, the transmission of bullion to the Mint is generally effected through the Bank of England, and the Bank is bound, on demand, to deliver gold coin in exchange for bullion at the rate of £3 17s. 9d. per ounce. The difference of 1½d. per ounce is retained by the Bank for discount and commission.

Upon the gold sovereign thus defined all other coins depend. The half-sovereign is in every respect the exact half of a sovereign. The other coins are mere tokens to express certain fractions of the sovereign. The principal is the shilling, which is a coin of account as well as a coin of currency. A shilling contains 87·27 grains (5·655 grams) of sterling silver, $\frac{37}{40}$ths fine. But the value of the shilling in no way depends upon the value of the silver in it. A shilling is merely the twentieth part of a sovereign, and, at present prices of silver, the metal in a shilling when melted down is worth something under sixpence. The other silver coins all depend upon the shilling. They are of the same fineness, and their weights correspond to the proportions they bear to the shilling. They are:

Crown	=	5 shillings.
Double florin	=	4 „
Half-crown	=	2½ „
Florin	=	2 „
Sixpence	=	½ shilling
Threepence	=	¼ „

The bronze coins are the penny, halfpenny and farthing. A penny contains 145·83 grains (9·45 grammes) of bronze, consisting of 95 parts of copper, 4 of tin and 1 of zinc. The other bronze coins contain proportional amounts of the same alloy. In value a penny is the twelfth part of a shilling, a halfpenny is half of a penny, and a farthing is the fourth part of a penny.

All accounts are kept in pounds, shillings and pence.

For purposes of comparison with the standards of other countries, it is convenient to note that the British gold standard may be expressed as having a fineness of 916·6̇ per thousand, and the British silver standard as 925 per thousand.

Some Useful Comparisons.

A sovereign weighs approximately 8 grams.
A shilling „ „ 5½ grams.
A penny „ „ 9½ grams.
Three pennies weigh 1 ounce avoirdupois.
A halfpenny is 1 inch in diameter.
A sixpenny piece is approximately 2 centimetres in diameter, and 1 millimetre in thickness.

CHAPTER XIV.

PUBLIC REVENUE.

THE national revenue of the United Kingdom is derived from a combination of direct and indirect taxation, and from various miscellaneous sources, such as the profits made by the Post-Office and the interest on money lent to local authorities and foreign countries.

TOTAL EXCHEQUER REVENUE OF THE UNITED KINGDOM.
Year ending March 31.

	1901.	1902.
	£	£
Customs	26,262,000	30,993,000
Excise	33,100,000	31,600,000
Death duties	12,980,000	14,200,000
Stamps	7,825,000	7,800,000
Land tax	755,000	725,000
House duty	1,720,000	1,775,000
Income tax	26,920,000	34,800,000
Total tax revenue	**109,562,000**	**121,893,000**
Post office	13,800,000	14,300,000
Telegraphs	3,450,000	3,490,000
Crown lands	500,000	455,000
Suez Canal shares	830,000	870,000
Miscellaneous	2,243,000	1,990,000
Total non-tax revenue	**20,823,000**	**21,105,000**
Total Exchequer revenue	**130,385,000**	**142,998,000**

The public treasury is known as the Exchequer, and—with certain well defined exceptions—all taxes must be paid into the Exchequer, and all expenditure must be met by issues from the Exchequer. No taxes can be levied, nor issues from the Exchequer made, except by the authority of Parliament. The revenue paid into the Exchequer by the various collecting departments is shown in the table on p. 107.

The total revenue obtained by the Exchequer in each of the past ten years is shown in the following table:

TEN YEARS' EXCHEQUER REVENUE.

	£
1893	90,395,000
1894	91,133,000
1895	94,684,000
1896	101,974,000
1897	103,950,000
1898	106,614,000
1899	108,336,000
1900	119,840,000
1901	130,385,000
1902	142,998,000

LOCAL TAXATION ACCOUNT.

In addition to the above sums paid into the Exchequer, the proceeds of certain taxes levied by the authority of Parliament are paid into an account called the Local Taxation Account, for the benefit of the local authorities. These sums are accounted for as follows:

	1901.	1902.
	£	£
Customs - - - - -	227,000	210,000
Excise - - - - -	5,297,000	5,194,000
Death duties - - -	4,110,000	4,199,000
Total - - - -	9,634,000*	9,603,000*

* Exclusive of £105,000 payable under Tithe Rent Charge Act, 1899, in the year 1901, and £110,000 in 1902.

If the total of the Local Taxation Account be added to the total Exchequer Revenue we get for the year 1901 an aggregate of £140,019,000, raised by the authority of Parliament and collected by officers of the National Government. Of this aggregate, the sum of £119,190,000 was due to taxation. This total, representing the yield of the various taxes imposed by Parliament in 1901, may be roughly classified as follows. The detailed figures for 1902 are not yet available.

AGGREGATE TAX REVENUE.

Year ending March 31, 1901.

	£
TAXES ON PROPERTY AND INCOMES—	
Income tax	27,561,160
Death duties	16,721,129
Inhabited house duty	1,701,085
Land tax	765,869
Transfer of property, namely, certain stamp duties	5,129,487
	51,878,730
TAXES ON THE CONSUMPTION OF COMMODITIES—	
Alcoholic drinks	40,566,826
Other commodities	20,365,150
Makers and vendors of alcoholic drinks ...	2,172,863
	63,104,839
TAXES ON COMMERCIAL TRANSACTIONS, namely, certain stamp duties	2,266,726
TAXES ON PERSONAL OUTLAY, namely, establishment licenses, gun and dog licenses, etc.	1,607,732
LICENSES TO PARTICULAR TRADES ...	519,144
RAILWAY PASSENGER DUTY AND SUNDRIES ...	386,030
	119,763,201

It will be noticed that the above total, which represents the sums collected by the various revenue departments, £119,763,201, differs slightly from the total received by the Exchequer and Local Authorities—namely, £119,190,000—the reason being that the col-

lecting departments cannot in any one year pay over the exact sum they have received as they must keep a working balance.

Proceeding from this summary statement of the revenue of the United Kingdom, it is desirable to examine in detail the various sources from which that revenue is derived. It will be convenient to follow as far as possible the order indicated in the above analysis of tax revenue, and then to note the sources of non-tax revenue. The principal direct tax is a tax upon annual incomes, officially known as the Property and Income Tax. The history and yield of this tax are dealt with in the following chapter.

CHAPTER XV.

THE INCOME TAX.

THE history of this tax is extremely interesting. Nominally, it had its origin under the ministry of Pitt at the end of the eighteenth century. In substance, it has existed, with brief intermissions, for more than 700 years. The earliest example of a tax upon incomes was the Saladin Tithe, imposed by Henry II. in the year 1188, which was a general property and income tax chargeable upon 'all rent and movables.' It was, as the name implies, an emergency tax, and for many years was only repeated under other names as fresh emergencies arose. By the reign of Edward III., however, it had come to be recognised as a permanent instrument of revenue under the name of a 'Fifteenth and Tenth'—namely, a tenth from all feudal tenants of the King, and a fifteenth from other persons. In 1334 the amount to be raised by this tax in each district was prescribed by Act of Parliament, and the inhabitants were left to assess themselves. As the nation grew, the yield of a 'Fifteenth and Tenth,' as fixed in 1334, failed to suffice for the needs of the State, and, after various experiments—including a graduated income-tax—a new property and income tax was introduced in 1513 with a new name. This was Henry VIII.'s first 'subsidy.' It was a tax of 6d. in the £ on yearly wages and rents, and on the capital value of household goods and other personal property. The real novelty of the new tax was the fresh assessment that accompanied it. Within a very few years, however, by habitual under-assessment, the yield of the 'subsidy' was reduced to a figure which bore no real relation to the wealth of the country. In the reign of Charles I. as many as five 'subsidies' were granted by Parliament in one year, each at the nominal rate of 4s. in the £ on the rent of land, and 2s. 8d. in the £ on the capital value of movables.

The So-called Land Tax.

Fifty years later, in 1692, a reform in the method of assessment was attempted by William III., and the word 'subsidy' was abandoned for the rather inappropriate name of 'land tax.' William III.'s so-called 'land tax' was in effect an income tax on modern lines. To

meet the expenses of the war then raging, the tax was put at the enormous rate of 4s. in the £ on the true yearly value of all personalty, of all salaries of public officials, and of all real estate. In subsequent years the rate was frequently reduced, and fell sometimes as low as 1s. But with the new tax, as with its predecessors, the old difficulty of assessment asserted itself. In the vain hope of escaping from this difficulty, Parliament, in 1697, fixed definite quotas to be paid by each district for each shilling of the tax, the yield for the whole country being about £500,000 for each shilling. This was the system that Pitt found still in existence in 1798, the yield being then practically the same as 100 years earlier. Dealing first with the bulk of the tax, which was derived from land, he made the rate of 4s., which had been in force for more than a generation, permanent. Thus the sum which was then being raised by each district became a permanent rent charge. An option was at the same time given to the owners of land to reduce that charge by the payment of an equivalent capital sum. The personalty portion of the tax was also fixed, but not by a permanent statute, and was voted annually till 1833, when it was dropped. The charge on official incomes was continued in a similar manner until 1876.

Pitt's Income Tax.

Having thus made sure of the old income and property tax, Pitt proceeded to introduce a new tax of the same character, but based on a better principle of assessment. The rate was fixed at 2s. in the £, which was probably a more serious burden than the nominal rate of 4s. under the old tax ever had been. When the Great War came to an end, Pitt's income tax was temporarily abandoned, and the tax was not permanently re-established till the year 1842.

Peel's Income Tax.

On previous occasions this tax had always been imposed or reformed to meet the necessities of war. In 1842 the object of its imposition was to facilitate the great fiscal reforms undertaken by Sir Robert Peel. The tax was put at 7d. in the £ on all incomes over £150 a year, and remained at that figure for eleven years. In 1853 incomes between £100 and £150 were made liable to a tax of 5d. in the £, the rate on larger incomes continuing at 7d. In the next year, in consequence of the Crimean War, both rates were doubled, and in 1855 the rate on incomes between £100 and £150 was raised to 11½d. in the £, and on incomes over £150

to 1s. 4d. These high rates continued to March 31, 1857, when the old rates of 5d. and 7d. were restored.

Abatements and Exemptions.

In 1864 the practice of charging a different rate on smaller incomes was abandoned in favour of the present system of allowing a deduction to be made from the amount of the income, and charging the full rate on the remainder. In the years 1875 and 1876 the rate of the income tax fell to the low figure of 2d. in the £, and an abatement of £80 was then allowed off all incomes between £100 and £300. Since these years the income tax has, on the whole, steadily risen, but, at the same time, larger abatements and exemptions have been given to the small and moderate incomes. At present all incomes below £160 are entirely exempt, and incomes between £160 and £700 are entitled to the following abatements:

Between £	Abatement. £
160-400	160
400-500	150
500-600	120
600-700	70

Facilities for Collection.

Thus, a person whose income is £170 a year will only pay on £10; and a person whose income is £650 will only pay on £580. Persons claiming an abatement, or claiming complete exemption, must make a return of their total income from all sources, but those who claim no abatement are in no way compelled to declare their total income, although they are required to pay the full tax upon it. The explanation of this seeming paradox is that the methods of assessment and collection are different for each class of income, so that a man whose income is derived from several sources does not pay his tax simultaneously upon his whole income, and therefore need not declare what that whole income is. To take a not uncommon example: A man who is earning an income as a barrister may also possess some landed estate and some investments in public funds. The first item comes under Schedule D, and, if he is an honest man, he will make a full return of the income he earns by his profession. He is asked for no other return. The tax due upon the rent he derives from his land will be paid by his tenants under Schedule A and deducted by them from their next payment to him.

The tax due upon his investments will be paid by the bank through whom he receives his dividend. Thus, in the case of incomes derived from real estate or Stock Exchange investments, the taxpayer is not conscious of the tax until he receives his rents or dividends. The same principle is applied to the tax payable upon the salaries of Government employees. In most of these cases the full tax is paid in the first instance, and if the recipient of the income thinks himself entitled to an abatement he must send in a claim, declaring his total income from all sources, and demand a refund. After investigation the refund will be granted.

Sundry Deductions and Concessions.

The intention of the tax is that only net incomes should be taxed, and with this object owners of land and houses are permitted to claim an abatement off the gross income of one-eighth in the case of lands, and one-sixth in the case of houses.

One objection frequently brought against the tax is that it falls with greater severity upon a man whose income depends mainly on his personal exertions than on a man whose income is derived principally or entirely from permanent investments. The one has to provide against the risk of illness and the certainty of death or senile decay; the other need make no such provision. Thus the income-earner is taxed not only upon the money that he can afford to spend, but also upon the money that he ought to save. This inequality has been recognised in principle, and some rather halting steps have been taken to deal with it. By way of mitigating the hardship for the owners or earners of life incomes an abatement is permitted upon premiums paid for life insurance, provided they do not exceed one-sixth of the total income. A further concession is made to earned incomes in the case of married persons. The general rule of the income tax is that a wife's income is deemed, for purposes of taxation, to be her husband's. Thus, if a man and his wife each have £400 a year, the husband will be liable for the full tax on £800; whereas, if their incomes were treated separately, each would pay on £240 only. It has, however, recently been provided that, if the wife's income is the result of her personal labour, and if the husband's income is derived from a separate business or profession assessable under Schedule D, then the two incomes shall be taxed separately, provided they do not jointly exceed £500.

INCOME TAX ASSESSMENTS.

Year ending April 5, 1900.

	Gross Assessment.	Net Assessment.
SCHEDULE A:		
Ownership of lands and houses—		
(1) Lands - - - -	52,814,000	—
(2) Houses - - - -	174,431,000	—
(3) Other property - - -	1,139,000	—
	228,384,000	**170,704,000**
SCHEDULE B:		
Occupation of land - - -	**17,596,000**	**5,685,000**
SCHEDULE C:		
Government securities—		
(1) British - - - -	—	12,733,000
(2) Indian - - - -	—	8,282,000
(3) Colonial - - - -	—	11,276,000
(4) Foreign - - - -	—	7,118,000
Net - - - -	**39,409,000**	**39,409,000**
SCHEDULE D:		
Trades and Professions:		
Profits and Earnings of—		
(1) Persons and firms - -	192,928,000	—
(2) Companies and Corporations	126,186,000	—
(3) Particular properties—viz., quarries, mines, ironworks, gasworks, etc. - - -	29,728,000	—
(4) Railways in United Kingdom	39,358,000	—
(5) Other railways - - -	14,043,000	—
(6) Miscellaneous investments and profits - - -	30,298,000	—
	432,541,000	**368,391,000**
SCHEDULE E:		
Salaries of Employees of—		
(1) Corporate Bodies - -	49,088,000	—
(2) The National Government -	21,006,000	—
	70,094,000	**47,040,000**
TOTAL - - -	**788,024,000**	**631,229,300**

The following comparative tables show the growth in the various classes of property and income during the past ten years, and the growth in the yield of the tax.

INCOME TAX: ASSESSMENTS FOR TEN YEARS.

Year ending April 5.	Schedule A.	Schedule B.	Schedule C.	Schedule D.	Schedule E.
	£ (millions).	£ (millions).	£ (millions).	£ (millions).	£ (millions).
1891 -	199·3	19·5	41·7	351·6	47·7
1892 -	201·4	19·5	39·7	362·3	49·5
1893 -	202·8	19·4	38·3	361·9	51·6
1894 -	206·7	18·8	38·9	351·8	52·6
1895 -	208·1	18·7	38·6	336·7	51·0
1896 -	210·6	18·6	38·6	351·7	53·3
1897 -	214·2	18·5	38·5	372·8	56·4
1898 -	216·5	18·3	38·6	396·2	59·8
1899 -	223·8	17·6	39·4	412·4	65·3
1900 -	228·4	17·6	39 4	432·5	70·1

INCOME TAX: PRODUCE FOR TEN YEARS.

Year ending April 5.	Net Produce.	Rate per Pound.	Yield per Penny.
	£	d.	£
1892 - - -	13,429,000	6	2,238,000
1893 - - -	13,439,000	6	2,240,000
1894 - - -	15,337,000	7	2,191,000
1895 - - -	15,856,000	8	1,982,000
1896 - - -	16,265,000	8	2,033,000
1897 - - -	16,789,000	8	2,099,000
1898 - - -	17,507,000	8	2,188,000
1899 - - -	18,273,000	8	2,284,000
1900 - - -	18,914,000	8	2,364,000
1901 - - -	29,112,000	12	2,426,000

In examining the above figures it is important to note that the scale of abatements and exemptions was considerably extended during

the period under review. If, therefore, the wealth of the country had not very greatly increased, there must have been a drop in the yield per penny of the tax. The drop that occurred in the year 1894 was wholly due to bad trade. The further drop of the succeeding year was partly due to the same cause, and partly to the increased exemptions and abatements which then came into operation. Further abatements came into force in the year 1899, but the yield per penny continued to rise.

It will be noticed that the net produce of the income tax for the year ending April 5, 1901, was £29,112,000, whereas the yield of this tax to the Exchequer in the year ending March 31, 1901, was only £27,561,160. The explanation of this large discrepancy is that the Inland Revenue Department, which collects the tax, calculates the net produce for each year on the basis of what the tax ought to yield in that year, whereas the Exchequer statement, being merely a cash statement, represents only the sums actually received. Thus the Exchequer statement ignores arrears, and in the financial year 1900-1901 these were specially heavy because the rate of the tax had been increased from 8d. to 1s.

The payments into the Exchequer on account of the income tax from the different parts of the kingdom in the year ending March 31, 1901, was as follows:

EXCHEQUER REVENUE FROM INCOME TAX.

Year ending March 31, 1901.

	£
England and Wales	23,772,051
Scotland	2,839,835
Ireland	949,274
TOTAL	**27,561,160**

The following analysis of the sources from which the incomes liable to taxation are derived gives some idea of the rate at which the wealth of the kingdom is growing:

Analysis of Taxable Incomes.

Sources from which Income is derived.	Years ended April 5.			
	1885.	1890.	1895.	1900.
	£ (thousands).	£ (thousands).	£ (thousands).	£ (thousands).
Rent:				
Of Lands	65,039	58,154	55,769	52,814
Of Houses	128,459	138,492	151,646	174,431
Interest:				
Paid out of National Revenue	18,731	16,207	14,695	12,733
Paid out of Municipal Revenues	6,228	7,380	4,956	5,875
Other Interest			2,142	3,217
Interest derived from Foreign Investments	34,764	52,310	53,506	60,267
Profits of:				
Railway Companies	33,270	34,643	33,355	39,358
Mines and Quarries	8,539	8,328	13,745	11,073
Gas and Water works	8,166	8,834	9,013	10,668
Canals and Docks	3,546	3,219	3,268	3,477
Other Public Companies	37,054	51,434	68,563	129,398
Trades, Professions, and Employments not in the hands of Public Companies	180,480	182,508	168,063	192,928
Salaries and Pensions:				
Paid out of National Revenue	15,871	16,961	17,399	21,006
Paid by Corporate Bodies	22,449	28,038	33,641	49,088

CHAPTER XVI.

DEATH DUTIES, INHABITED HOUSE DUTY, AND LAND TAX.

NEXT in importance to the income tax as an instrument of direct taxation is the group of taxes known collectively as the Death Duties. The oldest of these is the probate duty, which had its origin in the seventeenth century, but was first made into a serious tax by Pitt in 1795. It only affects personalty. In the following year Pitt established a further duty on personalty passing by death—namely, the legacy duty, but failed in an attempt to get the same duty extended to realty. In 1853 this object was accomplished by the establishment of the succession duty. In 1894 probate duty, with its supplementary duties the inventory and account duty, was replaced by a new duty called estate duty, falling equally on real and personal property, and graduated so that large properties should pay at a higher rate than small. The rates at which estate duty is levied, and the values of the different estates to which the different rates are applicable, are shown in the table on the following page.

Settled property is subject to a further estate duty of 1 per cent., called settlement estate duty.

Part of the estate duty is intercepted before reaching the Exchequer and handed over to the Local Taxation Account, to be thence distributed to the various local authorities. The same arrangement is applied to the remnant of the old probate duty, which continues to be collected on estates that were in process of being dealt with when the estate duty came into operation.

Estate Duty.

Year ending March 31, 1901.

Estates.	Rate of Duty.	Number of Estates.	Net Value of Estates.
£	Per Cent.	Number.	£
Under 300 gross	*	18,237	3,557,000
„ 500 „ -	*	8,707	3,499,000
Above 100 net -	1	6,460	3,568,000
„ 500 „ -	2	9,434	8,463,000
„ 1,000 „ -	3	15,814	60,641,000
„ 10,000 „ -	4	2,290	40,768,000
„ 25,000 „ -	4½	887	33,597,000
„ 50,000 „ -	5	263	18,167,000
„ 75,000 „ -	5½	133	13,000,000
„ 100,000 „ -	6	140	18,141,000
„ 150,000 „ -	6½	81	17,755,000
„ 250,000 „ -	7	51	16,667,000
„ 500,000 „ -	7½	17	13,088,000
„ 1,000,000 „ -	8	9	13,603,000
Total - - -	—	62,523	264,514,000

* Small estates under £300 gross pay a fixed sum of 30s., and under £500 of 50s., inclusive in both cases of all other death duties.

Legacy and Succession Duties.

The legacy and succession duties are twin brethren; the one applying to personalty, the other to realty. They constitute a tax levied, not like the estate duty on the corpus of the estate, but on the portion that is obtained by any particular legatee or successor. This tax is not graduated with reference to the amount of property passing, but varies according to the relationship between the deceased and the beneficiary. The scale is as follows:

	Per Cent.
Children and their descendants, or parents and their ancestors	1
Brothers and sisters and their descendants	3
Uncles and aunts and their descendants	5
Great-uncles and great-aunts and their descendants ...	6
Other persons...	10

A widow or widower pays no legacy or succession duty.

Particulars of the yield of the various death duties are contained in the following table. With the exception of the legacy and succession duty, all the duties mentioned in the table are merely supplementary to the main estate duty.

NET YIELD OF DEATH DUTIES.

Year ending March 31, 1901.

	Allocated to Exchequer.	Allocated to Local Authorities.	Total.
Duty.	£	£	£
Estate - - -	8,099,000	4,196,000	12,295,000
Settlement - -	391,000	—	391,000
Probate and inventory	40,000	40,000	80,000
Account - - -	2,000	2,000	4,000
Temporary estate -	21,000	—	21,000
Legacy - - -	3,092,000	—	3,092,000
Succession - -	793,000	—	793,000
Corporation - -	45,000	—	45,000
Total - - - -	**12,483,000**	**4,238,000**	**16,721,000**

As in the case of the income tax, the yield of the death duties for which the Inland Revenue Department takes credit in any particular year differs from the actual payment into the Exchequer. The amount allocated to the Exchequer in the year 1901 was £12,483,000, but the amount actually received by the Exchequer was £12,980,000, the difference being due to an excess of arrears in the previous year.

Inhabited House Duty.

The inhabited house duty is a tax levied upon all houses in Great Britain worth an annual rent of £20 a year and upwards. The tax does not extend to Ireland. The rates of duty per £ are as follows:

	Above £20.	Above £40.	Above £60.
Private dwelling-houses	... 3d.	... 6d.	... 9d.
Business premises	... 2d.	... 4d.	... 6d.

The following table shows the number and value of houses of different classes subject to House Duty, and also of those not subject to duty:

HOUSES IN GREAT BRITAIN.

Year ending March 31, 1900.

Houses Charged.	Number.	Annual Value.	Duty Charged.
Business Premises:		£	£
Shops or warehouses	291,281	14,709,000	257,000
Hotels, public-houses, coffee-houses, etc.	92,870	8,392,000	181,000
Farmhouses	32,526	813,000	7,000
Lodging-houses	21,518	1,399,000	29,000
Total	438,195	25,313,000	474,000
Private dwelling-houses	1,151,998	54,436,000	1,363,000
Total charged	1,590,193	79,749,000	—
Houses not charged:			
Under £10	3,219,815	20,010,000	—
£10 to £15	1,512,191	17,785,000	—
£15 to £20	737,240	12,489,000	—
Other houses not charged	613,409	40,682,000	—
Total not charged	6,082,655	90,966,000	—
Total	7,672,848	170,715,000	1,837,000

The yield of this tax during the past ten years has increased steadily, except for a slight drop in the year 1893. The figures for the first and last year of the decade are as follows:

Year ending March 31.	England.	Scotland.	Great Britain.*
	£	£	£
1892	1,351,938 ...	90,910 ...	1,442,848
1901	1,588,434 ...	112,651 ...	1,701,085

* There is no Inhabited House Duty in Ireland.

The Land Tax.

The history of the Land Tax has already been dealt with in the chapter upon the Income Tax. Until the last few years the tax, so far as it affected land, remained as Pitt left it—a fixed rent-charge, capable of redemption by the payment of an equivalent capital sum. Many landowners have in the past century taken advantage of this power of redemption, and the capital sums paid have been applied, as the law requires, to the reduction of the National Debt. Thus, in a sense the State is still receiving the full tax from these properties. The owners of other properties have been more fortunate. In 1896, and again in 1898, the Chancellor of the Exchequer made changes, with the object of relieving the owners of land, on which the tax had not been redeemed, from part of the rent-charge to which it had for generations been subject. The combined effects of these changes was a loss of about £217,000 a year to the revenue. On March 25, 1901, the aggregate of the fixed quotas payable was £986,000; but owing to the exemptions made in 1896 and 1898, the sum legally collectible was reduced to £769,000. The actual yield of the tax in the year ending March 25, 1901, was:

England	£733,288
Scotland	32,581
Total Great Britain*	**765,869**

* There is no Land Tax in Ireland.

CHAPTER XVII.

STAMPS, EXCISE, AND CUSTOMS.

THE other taxes levied in the United Kingdom are accounted for under the heads of Stamps, Excise and Customs.

NET RECEIPTS FROM STAMP DUTIES.

Years ending March 31, 1892 *and* 1901.

	1892.	1901.
	£	£
Deeds and other instruments	2,371,000	3,626,000
Penny stamps on receipts, drafts, contract notes, and other documents	1,136,000	1,448,000
Companies' capital	161,000	762,000
Bills of exchange and promissory notes (*ad valorem*)	713,000	693,000
Marine insurance	152,000	196,000
Marketable securities	183,000	191,000
Brokers' contract notes above 1d.	55,000	172,000
Bankers' bills and notes	125,000	127,000
Life insurance	51,000	64,000
Share warrants	—	47,000
Loan capital duty	—	39,000
Foreign and colonial certificates	78,000	31,000
Licenses and certificates — viz., solicitors', conveyancers', bankers', alkali and other works', and inebriates' retreats'	164,000	170,000
Patent medicines (Great Britain only)	240,000	298,000
Playing-cards	19,000	23,000
Total	5,448,000	7,887,000

Stamps.

Taxes are levied by means of stamps on all deeds for the sale or lease of land, all agreements to let houses, and other agreements and contracts that are intended to be legally binding. Stamps are also payable by persons entering various professions, by peers and bishops upon appointment or promotion, by public companies upon formation. Other stamps that may be mentioned are the stamps upon bills of exchange and cheques, upon receipts, upon Stock Exchange contract notes, and upon letters of allotment and scrip certificates. In addition, a stamp duty is levied upon patent medicines and playing-cards; but this is a tax which would more logically be treated as a tax upon commodities. The yield of the stamp duties is shown in the previous table.

It will be noticed that nearly half of the total net revenue obtained from stamps is accounted for under the vague heading 'Deeds and other instruments.' Particulars of the gross revenue obtained under this head are given in the following table:

GROSS RECEIPTS FROM 'DEEDS AND OTHER INSTRUMENTS.'

Year ending March 31, 1901.

	£
1. Agreements	29,000
2. Bills of lading	72,000
3. Conveyances (land and houses)	956,000
4. Conveyances (other property)	385,000
5. Mortgages, etc. (land and houses)	224,000
6. Mortgages, etc. (other property)	62,000
7. Leases	157,000
8. Settlements	56,000
9. Transfers of stocks and shares	1,236,000
10. Bonds, debentures, etc.	57,000
11. Letters of allotment	12,000
12. Deeds not classified	313,000
13. Composition from public companies and corporations, etc.	43,000
14. Penalties (net)	8,000
15. Post office transfers (for adhesive stamps on deeds, etc.)	31,000
Total	**3,641,000**

Classification of Stamp Revenue.

The total receipts from stamps may be roughly grouped as follows:

	£
Taxes on transfer of properties	5,129,000
Taxes on commercial transactions	2,267,000
Licenses to particular traders	170,000
Taxes on commodities	321,000
Total	7,887,000

Excise.

The principal item under the heading of 'Excise' is the revenue derived from the duties upon beer and spirits produced within the United Kingdom. These duties are as nearly as possible an exact equivalent to the duties levied upon imported beer and spirits, so that no advantage may be conferred upon the foreign manufacturer at the expense of his British competitor, or upon the British manufacturer at the expense of the British consumer. In addition to these duties upon the consumption of beer and spirits, a number of minor taxes are included under the head of 'Excise'—for example, a tax upon railway receipts from passenger traffic, taxes upon carriages, armorial bearings and male servants, gun and dog licenses.

Part of the revenue derived from these duties is credited to the Imperial Exchequer, and part to the Local Taxation Account for the benefit of the local authorities. The distribution was as follows:

	£
To the Imperial Exchequer	33,286,588
Local Taxation Account	5,253,499
	38,540,087

The actual sum paid into the Exchequer in the course of the year by the collecting department was £33,100,000.

NET RECEIPTS FROM EXCISE DUTIES.

Year ending March 31, 1901.

DUTIES ON CONSUMPTION—

	£
Beer	13,940,536
Spirits	20,124,003
Chicory	1,067
Coffee mixtures	1,573
Delivery from bond	5,168
Makers and vendors of alcoholic drinks	2,172,863
	36,245,210

LICENSES TO PARTICULAR TRADES—

	£
Methylated spirit makers, etc. ...	7,922
Chemists' stills	414
Vinegar makers	179
Playing-card makers	35
Medicine vendors	8,672
Sweet makers and dealers	2,102
Refreshment houses	9,898
Tobacco makers and dealers ...	96,311
Auctioneers, house agents, etc. ...	89,334
Hawkers	25,232
Pawnbrokers	37,891
Plate dealers	62,568
Game dealers	8,586
	349,144

TAXES ON PERSONAL OUTLAY—

	£
Gun licenses	115,941
Game licenses	192,931
Dog licenses	550,217
Male servants	156,556
Armorial bearings	74,862
Carriages and motor-cars	517,225
	1,607,732
Railway passenger duty	**331,214**
Fines	**6,787**
	38,540,087

Customs.

The Customs Revenue in the financial year 1901 was derived from a small number of duties on imported articles, of which the most important were tobacco, tea, foreign spirits, and wine. These four staples yielded £25,616,000 out of a total net revenue collected of £26,585,000. In the Budget for the year 1902 the Customs tariff was enlarged by the addition of duties on sugar and on all products requiring sugar for their manufacture, and also by the addition of a duty on exported coal. The tariff resulting from these changes is set out in the special chapter devoted to the subject of the Customs tariff. We are here only concerned with the revenue derived from the tariff in force during the financial year 1901. The figures are set out below:

CUSTOMS REVENUE.

Year ending March 31, 1901.

		£
Tobacco and Snuff		12,861,333
Tea		6,275,617
Spirits—		
Rum ...	2,453,139	
Brandy ...	1,481,647	
Geneva ...	213,596	
Other sorts ...	839,514	
		4,987,896
Wine		1,491,518
Dried Fruit		349,263
Cocoa		242,151
Coffee		189,886
Chicory		56,102
Beer		22,873
Other articles		11,484
Charges on deliveries from Bond ...		42,861
Sundry duties collected in the Isle of Man ...		58,314
		26,589,298
Deduct unappropriated moneys		*4,173*
		26,585,125

Of the total net revenue of £26,585,125 collected by the Customs Department, the sum of £26,270,959 was due to the National Exchequer, £218,668 to the Local Taxation Accounts, and £95,497 to the Isle of Man. The actual sum paid into the Exchequer as shown in the Exchequer Receipts was £26,262,000.

The following table shows for a period of ten years the quantities of imported articles, liable to taxation, which were retained for home consumption:

CONSUMPTION OF DUTIABLE ARTICLES.

Year.	Tea.	Currants and Raisins.	Tobacco.	Chicory and Coffee.	Cocoa.	Wine.	Spirits.
	1,000 tons.	1,000 tons.	1,000 tons.	1,000 tons.	1,000 tons.	1,000 gallons.	1,000 prf. galls.
1891	90	81	27	17	11	14,775	8,021
1892	92	78	28	17	10	14,538	7,761
1893	93	86	28	16	10	14,085	7,484
1894	96	85	29	16	11	13,776	7,249
1895	99	87	29	17	12	14,553	7,844
1896	102	87	30	16	13	15,776	7,774
1897	103	85	31	17	17	15,780	7,888
1898	105	87	33	16	18	16,543	7,538
1899	108	87	34	17	18	16,587	8,183
1900	111	68	36	17	21	15,816	8,306

CHAPTER XVIII.

NON-TAX REVENUE.

In addition to the revenue derived from taxation under the various headings dealt with in the previous pages a considerable revenue is obtained from sources which are independent of taxation.

RECEIPTS FROM NON-TAX REVENUE.

Year ending March 31.

	1901.	1902.
	£	£
Post Office - - - - -	13,800,000	14,300,000
Telegraph Service - - - -	3,450,000	3,490,000
Crown Lands (net) - - -	500,000	455,000
From Suez Canal Shares, etc. - -	830,075	869,633
Miscellaneous - - - -	2,242,608	1,990,366
	20,822,683	**21,104,999**

Post Office Profits.

As the above table shows, the principal sources of non-tax revenue are the earnings of the Post Office and the Telegraph Service.

In the year ending March 31, 1901, the Post Office yielded to the Exchequer a gross revenue of £13,800,000, and the Telegraph Service yielded £3,450,000. Against this yield must be set the expenditure incurred upon these services—namely, £8,963,000 for the Post Office, and £3,737,000 for the telegraph. The Exchequer had further to meet an expenditure of £771,000 for the packet service. Thus the net profit obtained by the State from the Post Office and Telegraph Service, after deducting the cost of these services and of the Packet

Service, was £3,779,000. This sum cannot fairly be regarded as a tax. It is a business profit obtained by giving to the nation an efficient service at a low cost.

It may be well here to add that the above figures do not represent the total incomings and outgoings of the services presided over by the Postmaster-General. They only represent the payments into the Exchequer and the issues from the Exchequer on account of these services. Before paying anything into the Exchequer, the Post Office department meets out of its receipts certain expenditures which are considered to be in the nature of repayments. Thus the sum paid into the Exchequer is based upon what the Post Office regards as its net receipts, whereas the same sum is, from the Exchequer point of view, only a gross receipt, because out of that sum the Exchequer will have to provide for the bulk of the expenditure of the Post Office. It may be added that the principle which determines the distribution of expenditure between the department and the Exchequer is not easily discernible. For example, the cost of conveying parcels by railway is provided for by a departmental payment to the railway companies, whereas the cost of carrying letters is met by an issue from the Exchequer.

Crown Lands and Public Property.

In the early history of the English monarchy a very large percentage of the total revenue of the State was derived from the royal property to which the monarch succeeded. That source of revenue has now dwindled to less than one half per cent. of the total. This dwindling is partly due to the fact that successive Kings gave away a good deal of public land to Court favourites, but still more due to the enormous growth in the yield of other branches of revenue. It has now long been the constitutional practice for each Sovereign on accession to hand over to the nation the property to which he succeeds in virtue of his sovereignty. In return he receives a fixed annual income, known as the Civil List.

The Crown lands are now managed by the Department of Woods and Forests, and this department, after meeting all expenses, pays into the Exchequer the net proceeds of the property. The payment made in 1901 was £500,000.

Besides this ancient property that has its origin in the very beginnings of the English and Scotch monarchies, the Government

of the United Kingdom is in possession of valuable properties more recently acquired. The principal of these is a number of shares in the Suez Canal Company, bought by Lord Beaconsfield for £5,000,000, and now worth more than £20,000,000. The income derived from this investment and from various loans made to foreign Powers was, in 1901, £830,075, made up of the following details:

	£
Suez Canal Shares	814,767
Sardinian Loan	5,849
Greek Loan	7,919
Fiji: Grant in Aid, part repayment	1,040
St. Helena: Grant in Aid, part repayment ...	500
	830,075

Miscellaneous Revenue.

The last head under which the items of the national revenue are grouped is the convenient word 'miscellaneous.' The largest receipts under this head are from fees paid into the Courts of Justice by suitors, or paid for the registration of patents or of deeds. These fees are treated in the official statement of the public accounts as non-tax revenue, though it is not clear why a stamp necessary to secure the validity of a lease should be treated as a tax, if a stamp necessary to secure the validity of a patent is not a tax. In addition to these fees, the miscellaneous revenue includes the profits made by the Royal Mint on the coinage of silver and copper, and the State's share of the profits of the issue of Bank of England notes. This heading also includes various incidental receipts by different Government departments—for example, Sale of Old Rags from the Dundrum Criminal Lunatic Asylum, £14 12s. 4d.

Another item included under the head of Miscellaneous Revenue is the sum of £30,000 a year paid by the Government of Cape Colony as a contribution to the naval expenditure of the United Kingdom. Similar contributions are also made by the Governments of India and of the Australian colonies, but instead of being treated like the Cape contribution as an addition to the revenue of the United Kingdom, they are deducted from the expenditure on the Navy. A striking contrast is furnished by the item of £18,000 which appears more under the head of Miscellaneous Revenue, and is paid by India

as a contribution to the Red Sea Telegraph, whereas the sum of £1,555,000 that India contributes to the army is treated as an offset to the expenditure of the War Office. These illustrations are sufficient to show that the official figures are only an approximate guide to the real revenue of the United Kingdom.

Miscellaneous Revenue.

	£	£
Small Branches of the Hereditary Revenue		29,467
Bank of England: Profits of Issue, etc.		178,188
Cape Colony: Contribution to Naval Expenditure ...		30,000
Indian Contribution to Red Sea Annuity		18,027
Mint:		
Profit on Silver Coinage	937,843	
„ Bronze „	73,175	
From Foreign and Colonial Governments ...	17,602	
Sundry receipts	5,077	
	1,033,697	
Less payments out of receipts	199,700	
		923,997
Fees received by Civil Departments		36,139
Court Fees and Patents for Inventions...		953,000
Sundry Departmental Repayments and Receipts ...		73,790
		2,242,608

CHAPTER XIX.

NATIONAL EXPENDITURE.

THE expenditure of the United Kingdom in the last three financial years has been very seriously affected by the cost of the war in South Africa, and in a minor degree by the cost of military operations in China. It will be convenient to deal first very briefly with this war expenditure. The figures are as follows:

THREE YEARS' WAR EXPENDITURE.

South African grants:	1899-1900	... £23,000,000	
„ „	1900-1901	... 63,737,000	
„ „	1901-1902 { Army	61,070,000	
	Civil	6,600,000	
			£154,407,000
China grants:	1900-1901	 3,500,000	
„	1901-1902	 2,160,000	
			5,660,000
Interest on war debt:	1899-1900	... 217,000	
„ „	1900-1901	... 1,383,000	
„ „	1901-1902	... 3,367,000	
			4,967,000
Total			£165,054,000

The estimates for the year 1902-1903 are:

South Africa: Army	... ...	£39,650,000
„ Civil	... ...	1,800,000
China	... ...	350,000
Interest on war debt	... ...	4,400,000
		£46,200,000

Thus the wars in South Africa and in China will have together involved in four years an expenditure of something over £211,000,000. In addition a sum of £17,500,000 is provided in the estimates of 1902-1903 for the cost of bringing home the troops, and other contingencies in South Africa.

Normal Expenditure.

In the above calculation interest on war debt has been charged to war expenditure, but it is important to remember that the interest charge continues after the direct expenditure has ceased. It is, therefore, on the whole more convenient to treat the interest upon the war debt as part of the normal expenditure of the country, and that has been done in the following figures. By way of further explanation it is necessary to add that the figures in the following table only refer to money issued from the Exchequer to meet expenditure. The actual expenditure incurred by the separate departments in the course of the year cannot be made to exactly coincide with the issues from the Exchequer.

EXPENDITURE (EXCHEQUER ISSUES).

Year ending March 31.	1901.	1902.
Debt services:	£	£
Normal	18,453,000	18,319,000
War debt	1,383,000	3,367,000
Other Consolidated Fund services	1,569,000	1,644,000
Payments to Local Taxation accounts	1,152,000	1,153,000
Army	24,473,000	29,312,000
Navy	29,520,000	31,030,000
Civil Services	23,500,000	23,900,000
Customs and Inland Revenue	2,834,000	2,955,000
Post Office	8,963,000	9,240,000
Telegraph service	3,737,000	4,010,000
Packet service	771,000	762,000
Total normal expenditure	**116,355,000**	**125,692,000**
War services: Army	67,237,000	63,230,000
Civil		6,600,000
	183,592,000	**195,522,000**

The above figures take no account of the sums collected by the Imperial authorities and paid over to the Local Taxation account without passing through the Exchequer. These sums should properly be regarded as an addition to national expenditure, for they take the place of grants that were previously made by the Exchequer to the local authorities. Another item of expenditure of considerable importance is excluded from the above accounts, namely, the expenditure out of loan. Of late years it has become the practice to meet exceptionally heavy expenditure upon public works by short loans repayable by instalments. These annual instalments are charged upon the votes, but the capital outlay in each year is accounted for separately. A better account of the real expenditure would be given if the capital outlay were charged against the department incurring it, and if the annuities were added to the debt charge. This course has been followed in the table at the foot of the next page. Particulars of the loan expenditure and of the payments to local authorities are given below.

ADDITIONAL PUBLIC EXPENDITURE.

Year ending March 31.	1901.	1902.
	£	£
Revenue raised and spent on—		
Local Taxation Account - -	9,634,000	9,603,000
Tithe Rent Charge Act - -	105,000	110,000
Capital raised and spent on—		
Barracks and military works -	1,256,000	1,700,000
Naval works - - - -	2,135,000	2,906,000
Uganda Railway - - -	1,060,000	870,000
Pacific cable - - - -	—	1,061,000
Telegraphs and telephones -	439,000	881,000
Public offices - - - -	25,000	130,000
TOTAL - - - -	**14,654,000**	**17,261,000**

Adding these figures to the totals given on the previous page, and referring to the figures for revenue given in Chapter XIV., we obtain the following summary :

TOTAL PUBLIC EXPENDITURE.

Year ending March 31.	1901.	1902.
	£	£
Raised from revenue - - -	140,124,000	152,711,000
„ „ loan - - - -	58,122,000	60,072,000
TOTAL EXPENDITURE - -	**198,246,000**	**212,783,000**
Deduct non-recurring war expenditure - - - - - -	67,237,000	69,830,000
TOTAL PEACE EXPENDITURE -	**131,009,000**	**142,953,000**

In the following table an attempt has been made to show what the real expenditure of the country has been over a series of years.

THIRTY YEARS' PEACE EXPENDITURE.

Including subventions to local and colonial authorities, interest upon war debt, and special loan expenditure upon military and naval and other works, such as the Uganda Railway, and the Pacific Cable, but *excluding* direct expenditure upon the Ashantee War in 1870, and the South African and Chinese Wars in 1900-1902.

(*In millions sterling*)

Year ending March 31st.	Debt Charge.		Navy.	Army.	Civil Administration.		Education.	Collection of Taxes.	Post-Office.	Total.
	Interest and Management.	Reduction of Capital.			Imperial.	Local.				
1870	24·6	2·5	9·4	12·3	7·1	2·4	1·5	2·6	3·6	66·0
1880	23·6	5·3	10·2	15·3	7·7	5·2	4·0	2·8	5·1	79·2
1890	20·0	5·3	15·4	18·3	7·6	8·8	5·8	2·7	8·2	92·1
1895	18·5	6·7	17·5	18·6	7·2	10·3	9·9	2·6	10·4	101·7
1900	17·6	6·1	27·4	21·6	10·4	14·3	12·2	2·8	13·0	125·4
1901	19·0	1·6	31·6	25·3	10·6	13·9	12·6	2·8	13·6	131·0
1902	21·2	1·7	33·8	30·5	10·8	13·5	12·8	3·0	15·7	143·0

CHAPTER XX.

THE NATIONAL DEBT.

THE National Debt of the United Kingdom has been mainly incurred as a consequence of war expenditure. The effective beginning of the debt was due to the war which William III. waged against the Catholic Powers of the Continent in defence of Protestantism. The total debt incurred during this war was £12,000,000. Another £20,000,000 was added by the long war of the Spanish Succession. The wars with Spain, under George I. and George II., added £35,000,000 more. The Seven Years' War, from 1756 to 1763, involved an addition of £58,000,000, while the war of American Independence added no less than £88,000,000 to the British National Debt. Just before the outbreak of the Great War with France the debt stood at £237,000,000. That war, which lasted with brief intermissions from 1793 to 1815, brought the debt of Great Britain and Ireland together up to the enormous total of £902,000,000, involving an annual charge of £32,645,000. Since that date very great reductions have been effected, while the only additions made until recent years were comparatively unimportant. The most noteworthy of these additions were the sum of £20,000,000, raised in the years 1836 and 1837, to compensate the owners of slaves in British colonies, and the sum of £35,000,000 on account of the Crimean War. At the close of the Crimean War the debt stood at £842,000,000, involving an annual charge of £25,942,000 for interest and management. Great reductions were effected in the succeeding half-century, and by the end of the financial year 1899-1900 the capital of the debt had been reduced to £639,000,000, and the annual charge to £17,600,000. The outbreak of the South African War in October, 1899, involved considerable additions to the debt in the following financial year, bringing the total up to £706,000,000 on March 31, 1901.

The debt of the United Kingdom consists of four distinct portions: (1) Funded Debt; (2) Terminable Annuities; (3) Unfunded Debt; (4) Temporary Loans for special purposes.

Funded Debt.

The essence of the Funded Debt is that the State is under no obligation to repay the principal sums borrowed; it only contracts to pay a permanent annuity. Such debt is said to be 'funded' because it is a permanent charge upon the 'funds' or revenues of the kingdom.

The first occasion in English history on which a permanent debt of this character was contracted was in the year 1694, when William III. borrowed £1,200,000 from the shareholders of the newly-incorporated Bank of England, and contracted to pay them £96,000 a year for interest, at 8 per cent., and £4,000 a year for management. In the succeeding century the improved credit of the Government enabled it to borrow on more favourable terms, and the rate of interest on the part of the Funded Debt was brought down as low as 3 per cent. The great war again sent up the rate at which the Government could borrow, but that rate steadily fell during the long peace that followed. By a series of conversions that took place during the nineteenth century the whole of the Funded Debt was consolidated into one single debt, bearing interest at the rate of $2\frac{3}{4}$ per cent. to the year 1903, and afterwards at the rate of $2\frac{1}{2}$ per cent.

Terminable Annuities.

Terminable annuities are of two kinds, (*a*) those purchased by private individuals, (*b*) those credited to Government departments. The former need no explanation; the latter represent a device for reducing the National Debt without appearing to do it. Various Government departments, such as the Post Office Savings Bank and the Court of Chancery, are large holders of Government securities. From time to time these departments are compelled to exchange their capital investments for terminable annuities. The capital debt is thus cancelled, and Parliament is called upon to vote an increased annual sum to meet the charge for the annuities. Thus very large amounts of debt are wiped off without calling upon Parliament in any one year to devote a lump sum to the purpose of reducing debt. The system works well, provided the Chancellor of the Exchequer

is not in urgent need of revenue. When he is, this ingenious arrangement is at once suspended by postponing the operation of these departmental annuities, and temporarily paying only the annual interest on the capital sum involved. This step was taken in the Finance Act of 1900, and repeated in 1901 on the ground that it was useless to pay out money for the reduction of old debt at a time when the nation was compelled to create new debt. The effect of the step is shown in the following figures:

Charge for terminable annuities,	1899-1900	... £7,290,000
„ „	1900-1901	... £2,757,000

A further effect of reducing the annuities was, of course, to increase the capital liabilities of the State by the difference between the value of an immediate annuity and the value of a postponed annuity.

Unfunded Debt.

The Unfunded Debt represents debt that is borrowed in the hope that it will not be permanent. In practice much of this debt consists of money raised on treasury bills that are repayable in three months' or six months' or twelve months' time, the money in this case being required to provide for payments falling due before sufficient revenue to meet them has been paid into the Exchequer. The expenses of the war necessitated unfunded loans of a somewhat more permanent character. A debt of £30,000,000 was incurred upon war stock and war bonds repayable in 1910, and further debts of £10,000,000 and £14,000,000 were incurred upon Exchequer bonds repayable in 1903 and 1905 respectively. Further, a war debt of £13,000,000 was incurred on treasury bills for three months, six months, or twelve months. The whole of this debt, as of all unfunded debt, must either be discharged or renewed at the dates named. It has, however, been the practice at different periods of English history, when the Unfunded Debt has grown inconveniently large, to 'fund' a portion of it by issuing a permanent stock to replace the temporary bills or bonds.

Loans for Special Purposes.

Temporary loans for special purposes differ only from unfunded debt in the nature of the provision made for repayment. They consist of annuities for a short period, charged upon the estimates of the department borrowing the money. The object of such loans is to

spread the cost of heavy works over several years. The principal purposes for which such loans have been raised are the following: construction of barracks, extension of telegraphs and telephones, construction of the Uganda Railway, construction of new public offices, purchase of the interests of the Royal Niger Company, and various military and naval works involving specially heavy expenditure. The following tables show the capital of the debt on March 31, 1900 and 1901 respectively, and also the annual cost of the debt in the financial years ending with those dates.

CAPITAL OF THE DEBT.

On March 31 of each Year.	1900.	1901.
	£	£
Funded Debt - - - -	552,606,898	551,182,153
Terminable annuities (estimated capital value) - - -	60,238,885	61,677,469
Unfunded Debt:		
(*a*) Normal - - -	8,133,000	11,133,000*
(*b*) War - - - -	8,000,000	67,000,000
Temporary loans for special purposes - - - -	10,186,482	14,731,256
TOTAL GROSS LIABILITIES -	639,165,265	705,723,878
Estimated assets (namely, value of Suez Canal Shares, etc.) -	25,180,461	26,518,760

* The sum of £3,000,000 was repaid shortly after the close of the financial year.

ANNUAL DEBT CHARGES.

For Year ending March 31.	1900.	1901.
	£	£
Funded Debt - - - -	15,242,192	15,106,532
Terminable annuities - -	7,290,491	2,756,613
Unfunded Debt:		
(*a*) Normal - - -	272,577	415,254
(*b*) War - - - -	216,657	1,382,780
Management - - - -	174,864	174,310
New Sinking Fund - - -	19,876	—
	23,216,657	19,835,489

In addition to the above annual charges there are the annuities payable on the temporary loans for special purposes. As explained on p. 136, these annuities are charged against the estimates of the various departments. It is desirable, however, to show in one statement all the charges annually involved by this system of finance. The following table shows how rapidly these charges are growing:

ANNUITIES UPON SPECIAL LOANS.

Year ending March 31.	1902.	1903 (estimated).
	£	£
Naval works	122,255	297,895
Military works	351,970	427,565
Civil works—		
Public offices	36,836	42,864
Irish and other railways	90,094	98,467
Uganda Railway	215,049	261,093
Telegraphs and telephones	173,309	227,431
Purchase of Niger Company	44,475	44,475
	1,033,988	1,399,790

CHAPTER XXI.

THE CUSTOMS TARIFF.

THE Customs tariff of the United Kingdom has for many years been based upon the principle that burdens should only be imposed upon the tax-payer in order to provide revenue for the State. The duties levied upon imports are therefore confined (*a*) to commodities such as tea, coffee, cocoa, wine, tobacco, which cannot be produced within the United Kingdom, and (*b*) to commodities such as beer and spirits, whose manufacture at home is subject to an Excise duty or internal tax equivalent in its effect to the Customs duty on importations from abroad. In neither case can any producer, either British or foreign, derive any private advantage from the British tariff. After allowance has been made for the cost of collection and the interest due to the middlemen who advance the tax to the Government, the whole of the extra price paid by the British consumer in consequence of the tax goes into the public exchequer, to be devoted to national purposes. In addition to this great fiscal advantage the British tariff has the industrial advantage of securing equality in the eyes of the State for all British industries. Unlike many other Governments, the British Government refuses to favour particular industries at the expense of the general community. The British brandy producer, for example, derives no benefit from the tax on foreign brandy, because he has to pay an Excise duty which is as nearly as possible the exact equivalent of the Customs duty on the brandy produced by his foreign competitor. He is thus in the same position, as far as the possibilities of profit are concerned, as persons engaged in industries that are neither subject to taxation nor to foreign competition. As a consequence, the people of the United Kingdom are entirely free to choose in what industries they will embark their capital and labour.

Whether they produce British brandy, or whether they produce British hardware with which to buy French brandy, is a matter of supreme indifference to the British Government. They choose for themselves whichever industry appears to them likely to yield the largest profit.

Another principle which has been adopted by British Chancellors of the Exchequer, as the result of practical experience, is to levy fairly high duties on a few staple commodities, rather than moderate duties on a multitude of less important articles. The practical value of this policy was demonstrated at a very early period after its adoption. Immediately before the fiscal reforms of the year 1842 there were 419 separate categories of important articles subject to taxation. During the three years ending in that year the Customs revenue from these 419 articles averaged £22,999,000 a year. Twenty years later the number of taxed articles had been reduced to twenty-four, but the Customs revenue had risen to £23,647,000. The theoretical justification of the policy of taxing as few articles as possible lies in the fact that every tax, however fairly levied, involves some interference with the trade affected. It is not worth while to inflict upon manufacturers and merchants the annoyance of such interference unless an appreciable revenue is obtainable. The tendency of the British fiscal legislation for the past fifty years has consequently been to reduce the number of articles subject to taxation, and by the year 1901 the articles taxed for the sake of revenue had fallen to ten in number—namely, beer, spirits, wine, tobacco, tea, coffee, cocoa, chicory, dried fruits, and playing-cards. In addition, duties were, and are, levied on such articles as chloroform and chloral hydrate, and on confectionery and soap containing spirit, in order to prevent the unfairness to British manufacturers that would result if these articles were imported free while the spirit required for their manufacture at home was taxed.

In the year 1901 it became necessary for the Chancellor of the Exchequer to raise additional revenue in consequence of the heavy expenditure in South Africa. He decided to re-impose the sugar tax that had been abolished in 1874, and also to impose an export duty on coal. The imposition of a duty on sugar involved also a proportional duty on all the numerous imported commodities containing sugar. These range from crystallized fruits to blacking, and after some difficulty specific duties were worked out for each com-

modity, the object being to tax the article exactly in proportion to the amount of sugar it contained. The imposition of the single sugar tax has thus entailed a sudden and very great increase in the number of taxable articles. Full particulars of the tariff as it stood on March 31, 1902, are contained in the following table:

IMPORT DUTIES.

In Operation up to March 31, 1902.

	s.	d.	
COCOA		1	per lb.
Husks and shells	2	0	per cwt.
Cocoa or chocolate, ground, prepared, or in any way manufactured		2	per lb.
Cocoa butter		1	„
COFFEE	14	0	per cwt.
Kiln-dried, roasted, or ground		2	per lb.
CHICORY:			
Raw or kiln-dried	13	3	per cwt.
Roasted or ground		2	per lb.
Chicory (or other vegetable substances) and coffee, roasted and ground—mixed		2	„
FRUIT, DRIED:			
Currants	2	0	per cwt.
Figs and fig-cake, plums, prunes, and raisins	7	0	„
TEA		6	per lb.
TOBACCO, manufactured, viz.:			
Cigars	5	6	„
Cavendish or negrohead	4	4	„
Cavendish or negrohead manufactured in bond	3	10	„
Other manufactured tobacco	3	10	„
Snuff containing more than 13 lbs. of moisture in every 100 lbs. weight thereof	3	7	„
Snuff not containing more than 13 lbs. of moisture in every 100 lbs. weight thereof	4	4	„
Tobacco, unmanufactured, viz.:			
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof	3	0	„
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof	3	4	„

IMPORT DUTIES—*continued.*

	s.	d.	
WINE:			
Not exceeding 30 degrees of proof-spirit ...	1	3	per gallon
Exceeding 30 degrees, but not exceeding 42 degrees of proof-spirit	3	0	„
And for every degree or part of a degree beyond the highest above charged, an additional duty		3	„
The word 'degree' does not include fractions of the next higher degree.			
Wine includes lees of wine.			
Additional—			
On STILL WINE imported in bottles ...	1	0	„
On SPARKLING WINE imported in bottles	2	6	„
BEER of the descriptions called Mum, Spruce, or Black Beer, and Berlin White Beer, and other preparations, whether fermented or not fermented, of a character similar to Mum, Spruce, or Black Beer, where the worts thereof were, before fermentation, of a specific gravity:			
Not exceeding 1,215 degrees	32	0	per 36 gall.
Exceeding 1,215 degrees	37	6	„
Beer of any other description where the worts thereof were, before fermentation, of a specific gravity of—			
1,055 degrees	8	0	
And so on in proportion for any difference in gravity.			
SPIRITS AND STRONG WATERS:			
For every gallon computed at hydrometer proof of spirits of any description (except perfumed spirits) including naphtha or methylic alcohol, purified so as to be potable; and mixtures and preparations containing spirits	11	4	per proof gallon
Additional, on spirits imported in bottle, enumerated and tested, and sweetened spirits imported in bottle, unenumerated and tested	1	0	„

IMPORT DUTIES—*continued.*

	s.	d.	
Additional in respect of sugar used in sweetened spirits, tested for strength		2	per gallon
For every gallon of perfumed spirits ...	18	1	„
Additional, if imported in bottle	1	0	„
Liqueurs, cordials, mixtures, and other preparations containing spirits, imported in bottle, entered in such a manner as to indicate that the strength is not to be tested ...	16	4	„
And so in proportion for any less quantity.			
CHLOROFORM	3	3	per lb.
CHLORAL HYDRATE	1	4	„
COLLODION	26	3	per gallon
ETHER, ACETIC	1	11	per lb.
„ BUTYRIC	16	5	per gallon
„ SULPHURIC	27	5	„
ETHYL BROMIDE	1	1	per lb.
„ CHLORIDE	16	5	per gallon
„ IODIDE OF	14	3	„
SOAP, TRANSPARENT, in the manufacture of which spirit has been used		3	per lb.
CARDS, PLAYING	3	9	per dozen packs
SUGAR:			
Not exceeding 76 degrees of polarization ...	2	0	per cwt.
Exceeding 76 and not exceeding 77	2	0·8	„
„ 77 „ „ 78	2	1·6	„
„ 78 „ „ 79	2	2·4	„
„ 79 „ „ 80	2	3·2	„
„ 80 „ „ 81	2	4·0	„
„ 81 „ „ 82	2	4·8	„
„ 82 „ „ 83	2	5·6	„
„ 83 „ „ 84	2	6·5	„
„ 84 „ „ 85	2	7·4	„
„ 85 „ „ 86	2	8·3	„
„ 86 „ „ 87	2	9·2	„
„ 87 „ „ 88	2	10·2	„
„ 88 „ „ 89	2	11·2	„

IMPORT DUTIES—*continued.*

	s.	d.	
Exceeding 89 and not exceeding 90	3	0·4	per cwt.
„ 90 „ „ 91	3	1·6	„
„ 91 „ „ 92	3	2·8	„
„ 92 „ „ 93	3	4·0	„
„ 93 „ „ 94	3	5·2	„
„ 94 „ „ 95	3	6·4	„
„ 95 „ „ 96	3	7·6	„
„ 96 „ „ 97	3	8·8	„
„ 97 „ „ 98	3	10·0	„
„ 98	4	2	„
BLACKING, Solid, containing sugar or any other sweetening matter	1	0	„
„ Liquid, containing sugar or any other sweetening matter	1	0	„
(Together with the duty on any proof-spirit contained therein.)			
Note.—An additional ½d. a lb. is chargeable in respect of any of the undermentioned articles in which spirit has been used in the manufacture.			
CANDIED AND DRAINED PEEL	3	0	„
CARAMEL, Solid	4	2	„
„ Liquid	3	0	„
CATTLE FOODS containing molasses or other sweetening matter	1	0	„
CHERRIES, drained, imported in bulk	2	3	„
CHUTNEY	2	0	„
COCOANUT, Sugared	2	0	„
CONFECTIONERY:			
Hard, such as:			
Sugared almonds, caraway seeds, etc. ...	4	2	per cwt.
Soft, viz.:			
A.B. gums imported in bulk, in barrels or cases, on the entry for which the importer has declared that duty on the combined quantity of sugar and glucose used in the manufacture of the goods did not exceed the rate of 2s. the cwt.	2	0	„

IMPORT DUTIES—*continued.*

	s.	d.	
Other A.B. gums, caramels, chewing gums, jelly beans, Turkish delight, etc. ...	3	0	per lb.
Containing chocolate, viz.:			
When the chocolate exceeds 50 per cent. of the total net weight		2	„
When the chocolate does not exceed 50 per cent. of the total net weight		1½	„
Made from sugar, and containing no other ingredients except flavouring	4	2	per cwt.
FLOWERS, as violets and rose petals, etc., in crystallized sugar as crystallized fruit	4	2	„
FRUIT:			
Canned and bottled, other than fruit liable to duty as such, preserved in *thin* syrup ...	1	0	„
Canned and bottled, other than fruit liable to duty as such, preserved in *thick* syrup ...	3	0	„
FRUITS:			
Crystallized, Glacé and Metz, except fruit liable to duty as such	4	2	„
Imitation crystallized (orange and lemon slices, etc.)	4	2	„
FRUIT, except currants, liable to duty as such, preserved in sugar, or otherwise, whether mixed with other fruit or not	7	0	„
FRUIT-PULP:			
Excepting fruit-pulp liable to duty as such, preserved in *thin* syrup	1	0	„
Excepting fruit-pulp liable to duty as such preserved in *thick* syrup, as jam	3	0	„
GINGER, preserved in syrup or sugar	3	0	„
GLUCOSE:			
Solid	2	9	„
Liquid	2	0	„
MARMALADE, JAMS, AND FRUIT JELLIES, if not made from fruit liable to duty as such ...	3	0	„
MARZIPAN	2	6	„

IMPORT DUTIES—*continued.*

	s.	d.	
MILK:			
Condensed, sweetened, whole	1	8	per cwt.
Condensed, sweetened, separated or skimmed	2	0	,,
MOLASSES, and all sugar and extracts from sugar which cannot be completely tested by the polariscope:			
If containing 70 per cent. or more of sweetening matter	2	9	,,
If containing less than 70 per cent. and more than 50 per cent. of sweetening matter ...	2	0	,,
If containing not more than 50 per cent. of sweetening matter	1	0	,,
NESTLÉ'S MILK FOOD	1	3	,,
SACCHARIN (including substances of a like nature or use)	1	3	per oz.
SOY, when containing molasses or other sweetening matter	2	0	per cwt.
TAMARINDS, preserved in syrup	1	0	,,

CUSTOMS CHARGES:

On delivery from warehouse for home consumption of goods liable to Customs duties, and on British compounded spirits, for every £100 of duty, and in proportion for every fractional part of £100.			
In respect of tobacco	2	6	,,
In respect of other goods	5	0	,,

GENERAL REGULATION:

Where any manufactured or prepared goods contain, as a part or ingredient thereof, any article liable to any duty of Customs, duty shall be charged in respect of such quantity of the article as shall appear to the satisfaction of the Treasury to be used in the manufacture or preparation of the goods, and in the case of goods so containing more than one such article, shall be charged in a similar manner on each article liable to duty at the rates of duty respectively applicable thereto, unless the Treasury shall be of opinion that it is necessary for the pro-

tection of the revenue that duty should be charged in accordance with the Customs Tariff Act, 1876.

Any rebate which can be allowed by law on any article when separately charged, shall be allowed in charging goods in respect of the quantity of that article used in the manufacture or preparation of the goods.

As respects the first levying or repealing of any duty of Customs, the time at which the importation of any goods shall be deemed to have had effect shall be the time at which the entry of the goods under the Customs Act is delivered, instead of the time mentioned in Section 40 of the Customs Consolidation Act, 1876.

Note.—The minimum sizes of packages of saccharin, tobacco, and casks of spirits allowed to be imported into the United Kingdom and the Channel Islands are as follows :

	Minimum *legal* quantity.
SACCHARIN	In packages of not less than 11 lbs. net weight.
TOBACCO	In packages of not less than 80 lbs. *gross* weight.
SPIRITS (imported otherwise than in cases)	In casks or other vessels of the size or content of not less than *nine* gallons.

Packages of tobacco must contain tobacco only, and under tobacco are included cigars, cigarillos, cigarettes, and snuff.

EXPORT DUTY.

	s.	d.	
COAL, CINDERS, etc., exported, viz :			
Coal and culm	1	0	per ton.
Coke and cinders	1	0	,,
Fuel, manufactured	90 per cent. of export duty on coal.		

A rebate of the duty is allowed on coal, the value of which, free on board, exclusive of duty, is proved not to exceed 6s. per ton ; and of fuel, the coal ingredient of which is proved not to be of a higher value than 6s. per ton.

CUSTOMS DRAWBACKS.

	s.	d.	
COFFEE :			
On all roasted coffee exported, which is not mixed with chicory or any other substance	14	0	per 100 lbs.
TOBACCO :			
Tobacco containing 14 per cent. of moisture manufactured in Great Britain and Ireland			

CUSTOMS DRAWBACKS—*continued.*

	s.	d.	
upon which the duties of Customs shall have been paid, on the same being by any licensed manufacturer exported as merchandise or deposited in any bonded warehouse to be used as ships' stores, and packed in whole and complete cases (or packages), each weighing not less than 80 lbs. gross weight, or such less weight as the Commissioners of Customs may permit	3		1 per lb.
And in proportion if the moisture exceeds or is less than 14 per cent.			
SNUFF:			
Manufactured in Great Britain and Ireland, on the exportation thereof, or on deposit in the King's Warehouse to be abandoned, provided the quantity of inorganic matter contained therein does not exceed the proportion of 18 lbs. in every 100 lbs., exclusive of water, or on every pound deposited by a licensed manufacturer in a bonded warehouse approved by the Commissioners of Customs, for the purpose of being either converted into sheep-wash, hop-powder, or other similar compounds for exportation under Bond, or of being mixed with such substance or combination of substances as the Commissioners of Customs may prescribe, so as to render the snuff no longer capable of being used as such, or as tobacco in any manner	3		1 per lb.
If the snuff contains more than such proportion of inorganic matter, a deduction is to be made from the drawback in respect of every pound of the excess above such proportion.*			

* By Section 6, § 2, of the Finance Act, 1896, the limitations, in respect of inorganic matter and sand, governing the payment of drawback under Section 1 of the Manufactured Tobacco Act, 1863, may be relaxed by the Commissioners

CUSTOMS DRAWBACKS—*continued.*

	s.	d.	
FOREIGN BEER:			
Of an original gravity of 1,055 degrees ...	7	9	per 36 gal.
And so on in proportion for any difference of gravity.			
SUGAR:			
Which has passed a refinery in Great Britain or Ireland, a drawback equal to the duty on sugar of the like polarization.			
MOLASSES	1	0	per cwt.
Allowed to a refiner on molasses produced in Great Britain or Ireland, and delivered by him to a licensed distiller for use in the manufacture of spirits.			

GENERAL REGULATION:

On goods (other than beer) in the manufacture or preparation of which, in Great Britain or Ireland, any of the articles liable to duty has been used, a drawback equal to the duty in respect of the quantity of that article which appears to the satisfaction of the Treasury to have been used in the manufacture or preparation of the goods, or in the case of residual products to be contained therein.

POSTSCRIPT.

SINCE the preceding pages were written, the Chancellor of the Exchequer has proposed to raise additional revenue by a tax on imported corn. The proposal involves a serious departure from the principles of taxation that have for the last forty years been recognised as sound by English statesmen without distinction of party. In the first place, the burden imposed upon the community by the new tax is greater than the benefit derived by the Exchequer, because the owners of home-grown corn will put up their prices by the amount of the tax on imported corn. They are thus in effect enabled to levy a tax upon the whole community for their private

of Customs, where, in their opinion, having regard to the character of the tobacco tendered for drawback, there has been no artificial increase of inorganic matter or sand during the process of manufacture.

benefit. In the second place, the tax interferes with the free flow of commerce. Nominally, the duty is upon corn and flour alone, but actually it is levied upon a number of commodities which are neither corn nor flour, but which might conceivably be used as substitutes for one or the other, and are therefore taxed to safeguard the main duty. In the third place, the corn duty is a tax upon the raw materials of an important industry, namely, on the feeding-stuffs used by farmers for their cattle, pigs, and poultry. Lastly, the tax violates the maxim that the State in imposing taxation should require an equal sacrifice from all its subjects; for a tax upon bread involves no sacrifice at all to the rich, but a heavy sacrifice to the very poor.

The following is a list of the articles included under the proposed duty:

LIST OF COMMODITIES INCLUDED IN THE CORN DUTY.

Part I., 3d. per cwt.

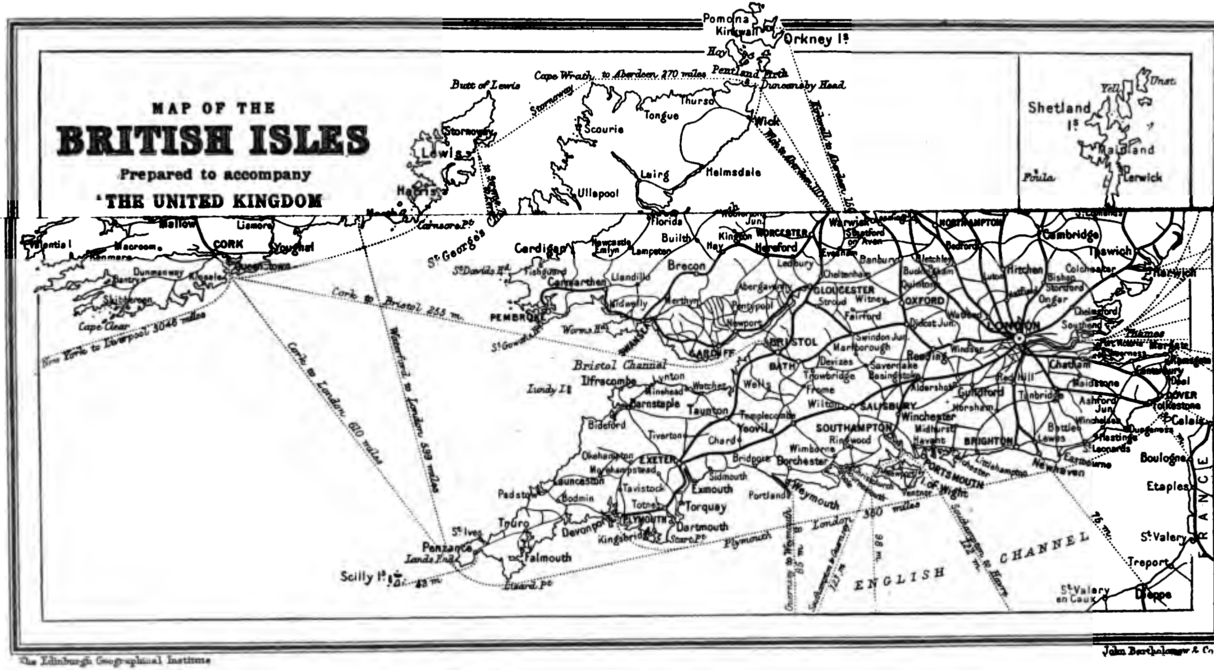
Wheat.	Peas (not fresh).
Barley.	Beans (not fresh).
Oats.	Locust beans.
Rye.	Lentils.
Maize.	Rice (other than whole and cleaned rice).
Buckwheat.	

Any offals of the above-mentioned articles.

Part II., 5d. per cwt.

Flour and the meal (other than offals) of any of the articles in Part I.:

Starch.	Sago.
Arrowroot.	Malt.
Cassava powder and tapioca.	Pearled barley.
Potato flour.	Rice (whole and cleaned).


MAP OF THE
BRITISH ISLES
Prepared to accompany
'THE UNITED KINGDOM
Orkney Is
Pomona
Kirkwall
Pentland Firth
Duncansby Head
Cape Wrath to Aberdeen 270 miles
Butt of Lewis
Stornoway
Lewis
Harris
Thurso
Tongue
Scourie
Wick
Lairg
Helmsdale
Ullapool
Shetland Is
Yell
Unst
Mainland
Lerwick
Foula
Mallow
Lismore
Youghal
CORK
Queenstown
Kinsale
Macroom
Kenmare
Dunmanway
Bantry
Skibbereen
Cape Clear
New York to Liverpool 3046 miles
Cork to Bristol 255 m.
Cork to London 610 miles
Waterford to London 599 miles
Carnsore Pt
St George's
Cardigan
St Davids Hd
Fishguard
Carmarthen
PEMBROKE
Worms Hd
Kidwelly
Llandilo
Newcastle Emlyn
Lampeter
Florida
Builth
Brecon
Hay
Kington
Hereford
WORCESTER
Warwick
Stratford on Avon
Evesham
Ledbury
Banbury
Cheltenham
Abergavenny
Merthyr
Pontypool
Newport
CARDIFF
GLOUCESTER
Stroud
Witney
Fairford
OXFORD
Didcot Jun.
Swindon Jun.
Marlborough
BRISTOL
BATH
Devizes
Trowbridge
Frome
Wells
Wilton
SALISBURY
Bristol Channel
Ilfracombe
Lynton
Minehead
Watchet
Barnstaple
Taunton
Templecombe
Yeovil
Chard
Lundy I.
Bideford
Tiverton
Okehampton
EXETER
Moretonhampstead
Launceston
Bodmin
Tavistock
Totnes
Padstow
Truro
Devonport
PLYMOUTH
Kingsbridge
Start Pt
Sidmouth
Exmouth
Torquay
Dartmouth
Bridport
Dorchester
Portland
Weymouth
Wimborne
Ringwood
SOUTHAMPTON
Winchester
Midhurst
Havant
PORTSMOUTH
I. of Wight
Ventnor
Littlehampton
BRIGHTON
Lewes
Newhaven
Eastbourne
Battle
Hastings
St Leonards
Winchelsea
Dungeness
Tonbridge
Horsham
Guildford
Aldershot
Basingstoke
Reading
Windsor
Savernake
Red Hill
LONDON
Watford
Luton
Hitchin
Bletchley
Buckingham
Quainton
Bedford
NORTHAMPTON
Cambridge
Bishop Stortford
Ongar
Chelmsford
Southend
Colchester
Ipswich
Harwich
Thames
Chatham
Maidstone
Ashford Jun.
Margate
Ramsgate
Canterbury
Deal
DOVER
Folkestone
Calais
Boulogne
Etaples
St Valery
Treport
Dieppe
St Valery en Caux
FRANCE
ENGLISH CHANNEL
Southampton to Havre 122 m.
Plymouth to London 380 miles
Guernsey to Weymouth 85 m.
Southampton to Guernsey 121 m.
98 m.
76 m.
Penzance
St Ives
Lands End
Falmouth
Lizard Pt
Scilly Is
43 m.
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